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NEWS SUMMARY

GENERAL

Europe may act on UK lamb

The EEC Commission plans to seek an interim injunction against France in the European Court over illegal curbs on British lamb imports.

EEC Farm Commissioner Finn Olav Gundelach said that if the French failed to give way before or during next week's farm ministers' meeting, he would have no option but to seek the injunction.

However, the commission's legal service may seek to delay such action. Back Page

Tito weakens

Health bulletins on President Tito of Yugoslavia have begun to refer to kidney malfunction as well as a weakening heart. Page 3

Rome Jurist shot

Terrorists in Rome shot dead Professor Vittorio Bachelet, a leading jurist, in what is considered the most serious challenge to the State since the murder of Aldo Moro, former Premier. Page 3

EMS appeal

Britain will fail to play a full part in Europe until it joins the European Monetary System, Mr. Roy Jenkins, President of the European Commission said. Page 2

New N-plant leak

Nuclear scientists were investigating an escape of radioactivity on Monday from the crippled Three Mile Island plant, Pennsylvania, but said the amount released was no health hazard.

Hostages freed

A solution to the seizure of the Spanish Embassy in San Salvador appeared imminent last night as students occupying the Education Ministry freed their 12 hostages and left the building.

Blunt friend hurt

William Gaskin, aged 60, flatmate of Professor Anthony Blunt, who spied for Moscow, was recovering in hospital after falling from a sixth-floor balcony.

Zambia recall

Britain has cut short the tour of duty of Sir Leonard Allinson, High Commissioner in Lusaka, after criticism in Zambia of his defence of Britain.

La Roche cleared

West Germany's High Court ruled that Hoffmann-La Roche, Swiss pharmaceuticals group, did not overcharge for its tranquillisers Valium and Librium. Page 2

Heart programme

Papworth Hospital, Cambridgeshire, plans to carry out up to eight heart transplants a year.

Lonrho plea lost

Lonrho has lost an Appeal Court hearing seeking disclosure of the activities of Shell and BP subsidiaries in allegedly supplying Rhodesia with oil during its revolt.

Briefly . . .

Athens MPs discussed NATO plans to reintegrate the country's forces into those of the alliance.

Wreckage of an RAF Hunter was found on Skye but the pilot was still being sought last night.

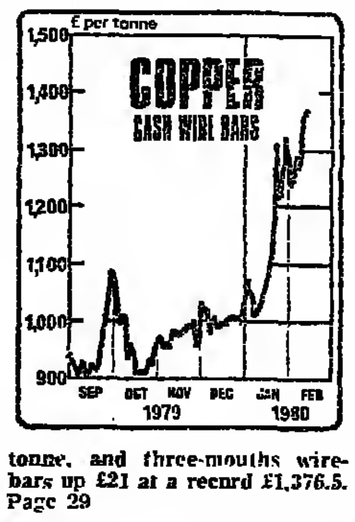
Fake plumber walked into a Paris flat and left with a Rembrandt and five other paintings worth FFr 2m (£213,000).

Greek sea captain was jailed for waking people in Genoa, Italy, with his ship's siren.

BUSINESS

Copper record; Sterling falls

● COPPER continued to rally strongly in London, with cash wirebars up £21 at £1,372 a



tonne, and three-months wirebars up £21 at a record £1,376.5. Page 29

● GOLD fell $15 in quiet London trading to close at $697.50.

● STERLING lost 75 points in thin trading to close at $2.2970, and its trade-weighted index was 72.9 (73.0). DOLLAR traded in a narrow range and its index was 85.2 (85.1).

● GILTS eased on UK labour troubles, and the Government Securities index fell 0.29 to 66.10.

● EQUITIES resisted an early fall and the FT 30-share index, which opened 3.7 down, rallied to close 0.6 off at 469.3.

● WALL STREET was 0.94 down at 888.65 near the close.

● LIQUIDITY shortages pushed up interest rates in the London money market, intensifying pressure on clearing banks.

● MULTINATIONAL companies including Exxon, Shell and ICI are at the centre of a dispute between the European Commission and EEC governments over investment grants. Back Page

● BP set the new North Sea oil price pattern by raising the price of its Forties Field reference crude by $4 a barrel to $33.75. Back Page; BNOC appointments Page 7 and Editorial comment Page 20

● SALVESEN Offshore Holdings, a subsidiary of Christian Salvesen, a private Scottish company, has pulled out of the offshore drilling market. Page 9; Christian Salvesen results, Page 23

● BRITISH RAIL and the Government have clear differences of opinion over the role of private capital in the Board's non-railway activities. Back Page

● BUILDING society net receipts last month were £235m—less than half the figure the societies say they need to meet mortgage demand. Page 7

● WATER authority employers agreed to urgent pay talks after most of their manual workers threatened a national strike from February 25. Page 8

COMPANIES

● ARMITAGE Shanks' biggest shareholder, the Lebanese-owned Ceramics Investments BV, has come out against the £33m Blue Circle Industries bid. Page 23

● GUINNESS PEAT Group, the commodity trading concern, raised first-half pre-tax profits from £1.85m to £6.22m. Page 22 and Lex, Back Page

● DONALD MACPHERSON Group, the paint manufacturer, raised pre-tax profits for the year from £4.08m to a record £4.84m on sales 15.8 per cent higher at £75.9m. Page 22

● TOYOTA, Japan's largest car maker, raised first-half parent company net profits by 53.9 per cent to a record Y65.08bn (£116.73m). Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Applied Computer	350	+ 25
Bowring (C.T.)	143	+ 7
British Home Stores	281	+ 4
British Sugar	154	+ 6
Crown House	67	+ 4
Fashion & General	145	+ 18
Furness Withy	287	+ 10
Guinness Peat	127	+ 15
Hartwells	82	+ 5
Henderson-Kenton	104	+ 5
MK Electric	185	+ 6
Macpherson (D.)	97	+ 6
Matthews (B.)	340	+ 25
Oliver (G.) "A"	115	+ 7
Pegler-Hattersley	140	+ 8
Quick (H. & J.)	41	+ 3
Ruberoid	59	+ 6
Spear & Jackson	110	+ 8
Standard Teleph.	266	+ 6
United Scientific	465	+ 9
Ward Holdings	62	+ 4
Guthrie	855	+ 45
Charter Cons.	185	+ 15
EZ Inds.	355	+ 55
Gold Fields of SA	£39	+ 1¼
RTZ	455	+ 11
Saint Piran	67	+ 7
Selection Trust	776	+ 16
FALLS:		
Treasury 12pc 1995	£85½	— ⅜
Needlers	54	— 3
BP	400	— 10
Cluff Oil	430	— 40
Tricentrol	304	— 16
Cons. Gold Fields	510	— 15

Union anger over lay-offs plan

No more available says BL as ballot rejects pay offer

BY ALAN PIKE, LABOUR CORRESPONDENT

BL car workers yesterday rejected 5 to 10 per cent pay increases in a secret ballot, but the company *immediately emphasised that it had no money available to improve its offer.*

The rejection of the offer by 59 per cent of those voting in an 82 per cent poll plunges the company into even further uncertainty about its immediate future on industrial relations issues.

Tens of thousands of lay-offs are planned because of high stock levels, and the dispute over dismissal of Mr. Derek Robinson, the Longbridge convenor, remains unresolved.

Voting against the offer was 41,422 to 28,623, a majority of 12,799.

Sir Michael Edwardes, BL chairman, who received 7-1 support from the work-force for his recovery plan for the company in the autumn, warned during the ballot that rejection of the pay offer would mean the end of BL in its present form, and massive loss of jobs.

The company's first response when it learned that the vote had gone against Sir Michael was comparatively cautious, arguing that the unions had not been given a mandate for industrial action.

Mrs. Margaret Thatcher delivered a sharp warning in the Commons about the consequences that could follow industrial action by BL workers.

Mr Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, said announcing the result, that it was "overwhelmingly" in support of the union negotiators, who had recommended rejection of the offer.

The offer proposed basic increases of about 5 per cent for most of the 85,000 workers, and up to 10 per cent for skilled men. It included productivity proposals and requirements for more flexible working practices.

Mr. Hawley stressed that union negotiators, armed with the ballot result, did not now want to rush headlong into a strike.

They will meet the management on Friday and hope to discuss ways of improving the package.

In its response to the result, BL turned its attention to the 18 per cent of employees who did not take part in the vote, and said that only 49 per cent of the work force backed the *union negotiating committee.*

A statement said BL had "made clear before the unions decided to go for a ballot the company does not have the cash to improve its offer."

Union leaders were also deeply critical of the way in which BL announced on Monday night that many thousands of employees were to be laid off to reduce current stock levels.

Mr. Hawley said that although BL was party to an agreement that lay-offs would be discussed in advance with national union officials, he knew nothing about this until he was telephoned at home by the company on Monday night.

"One feels that we have been extremely patient with this company in trying to negotiate with them. Some day there has to be a change of attitude." The unions had "waved the white flag" many times in an attempt *to improve* relationships.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said that his union's representatives would insist at Friday's meeting with BL that there should be *no loss of earnings if employees* were laid off.

Dealers seek aid for stocks

By Arthur Smith, Midlands Correspondent

BL CARS is under pressure from dealers to help finance stocks in the distribution network thought to total about £240m.

The company said last night: "Dealers are obviously concerned about the drain on cash resources that high stocks involve."

It was because of high stock levels that BL was halting production of models such as the Rover saloon, Princess and Maxi.

"Dealers are always anxious for some help on stock finance, particularly with interest of more than 20 per cent. But it has to be a trade-off between our financial position and theirs. We have got our own interests to think about."

The extent to which BL can recover its British market position from the disastrous 15 per cent level of January will clearly determine the length of shut-down of plants such as Cowley, Oxford, where the Maxi, Princess and Marina are produced.

Failure to achieve such a recovery is likely to raise the *question of redundancies.* BL Cars' output last year, when it held 19.6 per cent of a record 1.7m UK market, was little more than 503,000 cars.

With latest company forecasts of a market down to 1.4m this year, a similar share, coupled with problems in export markets caused by the high value of sterling would involve a further substantial drop in output.

The bulk of the 25,000 redundancies which Sir Michael Edwardes, the BL chairman, has said are necessary to reduce capacity are not due to take effect until late this year, or early 1981.

One option for Sir Michael would be to accelerate *the* programme. Earlier redundancies would strengthen the company in the longer term, but would involve higher rationalisation costs. These are already thought likely to *total more than £200m.*

BL has said that higher productivity through the proposed incentive scheme is crucial to its success.

£ in New York

—	Feb. 11	Previous
Spot	$2.3060-3070	$2.2985-2995
1 mth	0.76-0.72 dis	0.75-0.70 dis
3 mths	1.84-1.79 dis	1.79-1.74 dis
12 mths	4.35-4.25 dis	4.27-4.18 dis

Anglo buys 25% stake in Gold Fields

BY PAUL CHEESERIGHT

A 25 PER CENT stake in Consolidated Gold Fields, the London resources group, has been acquired at a cost of at least £150m by Anglo American Corporation and De Beers Consolidated Mines, the South African complex of companies controlled by Mr. Harry Oppenheimer.

An announcement yesterday of the Anglo/De Beers interest brought to an end the speculation about the mystery buying of Gold Fields shares over the last three months.

Disclosure came yesterday morning after De Beers bought on the market through Rowe and Pitman, the London brokers 16.5m shares in Gold Fields at a price of 616p a share. The operation, worth £101.5m and in the first few minutes of trading, provoked bitter criticism in the City.

It preceded the appointment, following a request by Gold Fields of Mr. Bryan Welch and Mr. Michael Osborne as the Department of Trade inspectors to examine, under Section 172 of the Companies Act, 1948, the share ownership of Gold Fields following extensive buying of its shares and the failure to register the transactions.

Gold Fields was satisfied yesterday that the number of shares acquired by Anglo/De Beers tallied with the number of shares which it could not trade previously.

Mr. David Lloyd-Jacob, the managing director, said: "From all we see, the mystery buyer *is fully revealed.*"

The shareholding was surprising, he said. "I would rather it wasn't there. But we are all professional managers. We will live with our shareholders."

De Beers stressed that it does not intend to acquire further shares, which would require it to make a formal offer. It does not seek management changes, and regards the holding as a good investment.

It is widely thought that the buying was set off by earlier purchases made by Afrikaner interests through the General Mining complex of companies.

Anglo/De Beers was believed to be trying to check the steady accretion of power by Afrikaner interests in the South African mining industry. Gold Fields has extensive gold holdings in South Africa.

Gold Fields was first informed of the Anglo/De Beers intervention 17 minutes before the Stock Exchange opened yesterday morning. When trading started, its share price was quoted at 615-617p, reflecting the transactions arranged by Rowe and Pitman. Within a quarter of an hour the price had fallen to 520p.

Later the price moved over 560p, suggesting that institutions were taking the opportunity to buy back shares to replace those earlier sold at the higher price to De Beers, before closing at 510p for a day's net fall of 15p.

City criticism about this performance centres on the fact that small investors did not have the chance, given the speed with which pre-arranged deals were done, to offer their *shares at a price some 90p* higher than Monday's close.

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Union may serve writ to halt BSC closures

BY CHRISTIAN TYLER, LABOUR EDITOR

A WRIT designed to stop the British Steel Corporation's going ahead with plant closures was drawn up yesterday by the Iron and Steel Trades Confederation.

Developments in the next few days on the closure issue, which has been taken up by the TUC, could determine whether the writ is served. BSC was last night discounting the chances of legal action against it having any success.

Sir Geoffrey Howe, the Chancellor of the Exchequer, has replied to the TUC's written demand that the closures be deferred.

It is understood that he has repeated his wish to see full discussions between the steel unions and BSC. His letter, which was being scrutinised by TUC officials yesterday, may be published today.

Union *leaders* have warned that unless the Government allows the BSC to relax its timetable, growing militancy in South Wales could lead to serious industrial action there and in areas like Scotland and Yorkshire.

It will be for a special meeting of the TUC nationalised industries and steel committees to decide, possibly early next week, whether the reply goes far enough. If not, the meeting could recommend TUC-organised protests including national stoppages.

As the steel strike enters its seventh week, the general secretaries of the ISTC and National Union of Blastfurnacemen go to the Advisory, Conciliation and Arbitration Service today.

But all the signs are that it will be a long haul back to formal negotiations, following the abortive bargaining session last Friday.

The attitudes of the strikers continued to harden yesterday, even as ISTC members at some small private steelworks in South Yorkshire went back to work, joining those who have defied the union call for sympathetic action at Sheerness Steel in Kent, and now at Hadfield's in Sheffield.

The Rotherham strike committee called for the resignation of Mr. Bill Sirs, ISTC general secretary, after his recommendation that Hadfield's be given dispensation. More than a dozen men were remanded on bail in Sheffield following incidents on the picket line outside the company.

Another area strike committee, at the Llanwern plant in South Wales, yesterday joined South Yorkshire, Redcar and Scotland in demanding that safety cover be withdrawn. The requests will be considered by the ISTC executive or central

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'Enterprise' plan for steel areas

BY OUR INDUSTRIAL STAFF

TWO AREAS due to be hit by steel plant closures and a site close to the centre of London are among seven locations being considered by the Government for designation as enterprise zones where businesses will be freed from various state levies and other burdens.

An announcement may be made in next month's Budget if ministers, led by Sir Geoffrey Howe, Chancellor of the Exchequer, finalise their plans in time.

The idea is that businessmen should be attracted to the *areas, located* in areas of economic decay, by being exempted from the sort of burdens that are often thought to deter entrepreneurs.

One of the sites being considered is a 160-acre industrial estate at Briton Ferry near Port Talbot, which Sir Keith Joseph, Industry Secretary, tried to visit on Monday but was turned back by picketing steel workers. A 218-acre site in the lower Swansea valley was also considered.

The other six *sites* under consideration are:

About 175 acres in Hackney, East London, which is largely built up but has many vacant and underused areas.

A 500-acre site at Attercliffe, Sheffield, which has some 20 per cent of its business premises vacant and needs further reclamation and services.

A 300-acre green field site at Speke, Liverpool, where the Triumph and Dunlop factories have recently closed with thousands of job losses.

A site close to the Singer Sewing machine factory, Glasgow, which recently closed with over 3,000 redundancies.

Preston docks.

A 900-acre site with vacant *factories at Bilston,* near Wolverhampton, where steelmaking ended last year with some 2,000 redundancies.

Other sites at Wandsworth in South London, Clydebank in Scotland, Doncaster and Tyneside have also been considered.

Ministers want to choose a cross section of areas to enable

Continued on Back Page

No revised bid for Decca yet from Racal

BY CHRISTINE MOIR

RACAL ELECTRONICS has still, after five days of discussions, not come back with a revised bid for Decca to top the latest from General Electric.

Mr. Ernest Harrison, chairman of Racal, has not conceded defeat. Hill Samuel, his advisers, promised on Friday that there would be a statement on Monday. Since then two similarly-worded announcements have been made on successive evenings saying that "*discussions* are continuing."

Sir Kenneth Bond, financial director of GEC, last night firmly denied that there had been any talks between GEC and Racal.

Racal's shares have been holding firm, ending the day up 4p to 229p. Decca's shares have slid back to match the nominal value of GEC's convertible loan stock offer, the voting shares losing 10p to 557p and the "A" shares dropping 5p to 440p.

GEC's shares, which have gone ex-dividend, rose by 2p to 377p. The company reminded shareholders: "The progress of the underlying shares suggests that the loan stock, if quoted, would go above par."

This would, on brokers' estimates, put a value on the GEC convertible offer of £103m. By comparison, Racal's share offer values Decca at £96m.

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For latest Share Index phone 01-246 8026

Roche cleared of over-charging for drugs

BY LESLIE COLITT IN BERLIN

WEST GERMANY'S Federal Supreme Court has ruled in favour of the Swiss pharmaceutical company, Hoffman-La Roche, ending a six-year legal struggle that began with the Federal Cartel Office in West Berlin and ended with the Berlin Appeal Court.

In 1978, the Cartel bench of the Berlin court ordered the company to reduce by 24 per cent the price of its tranquilisers Valium and Librium, arguing that it had abused its "market dominating position."

The Federal Court in Karlsruhe yesterday said it could not support the claim that Hoffman-La Roche had taken advantage of its strong market position to charge excessively high prices.

The ruling could well inhibit the Cartel Office from even starting proceedings against other West German companies for alleged over-charging.

In 1974 the Cartel Office ordered the company to drop its price for Valium by 40 per cent and for Librium by 35 per cent. This was altered by the Berlin Appeal Court, which ordered prices lowered to 28 per cent, a ruling subsequently overturned by the Federal Court which ordered the case to be heard again. The result was the Appeal Court's final order that prices were to be cut by 24 per cent.

The Cartel Office said yesterday's decision was "disappointing" but that it was not entirely surprised by it.

It is now expected to drop its case against Merck Pharmaceutical, which it suspected of overcharging for its B-12 vitamin.

Ironically, the Cartel Office has found that, since 1978, Hoffman-La Roche raised its prices for Valium and Librium "far less than its competitors" on the West German market. Today its prices for the tranquilisers are said to vary little from those of other drug companies.

The Federal Court said it was impossible to determine what a "competitive price" would be on the West German market. The Cartel Office had atempted to do this by using the lower prices charged by a Dutch company, Centrafarm, for its own tranquilisers sold in the Netherlands.

Court ruling a relief for research-based companies

BY A. H. HERMANN, LEGAL CORRESPONDENT

ALL THE research-based pharmaceutical companies will be pleased by the decision of the Karlsruhe judges. The main issue between Hoffman-La Roche and the Federal Cartel Office was whether the higher prices which Roche asked for Librium and Valium were justified by its research costs.

Also in dispute was whether it was fair to compare its prices with the products put on the market by imitators or "parallel" importers who, like Centrafarm, bought Roche products in a lower priced market and undercut Roche's appointed distributors in a higher priced market.

These issues, as well as the apportioning of research costs of the Basle laboratories between the various Roche subsidiaries outside Switzerland, appeared in all the numerous disputes with governments with which Roche became involved after the British price-cutting order of 1973.

Most recently, the admissibility of comparing prices, including research costs, with prices of imitation products appeared in the dispute between Sandoz and the French customs authorities.

The latter compared the price of Sandoz's ergotamine and dihydroergotamine, charged to the French subsidiary of the Swiss company, with prices at which the same products were sold by an imitator. They concluded that the value of Sandoz's French imports in the years 1971, 1972 and 1973 had been inflated by some £4m.

The manager of the French subsidiary was accused of making false customs declarations and is threatened with a heavy fine and possibly a prison sentence. These criminal proceedings have the same practical effect as a price-cutting order, and by an agreement reached between the Swiss and French Governments the matter was referred to the European Court in Luxembourg.

The decision of the Federal Supreme Court that the comparison of Hoffman-La Roche prices with the prices charged by Centrafarm on a relatively small turnover is insufficient to prove an abuse of marketing power, cannot be entirely ignored by the European Court.

The Roche case was before the Federal Supreme Court for the second time. In December 1976, it sent it back to the Berlin Appeal Court with directions which concerned the definition of the relevant market, of a superior market position, and of abusive pricing.

Jenkins urges UK to join European monetary system

BY JOHN WYLES IN STRASBOURG

BRITAIN WILL not be playing a full part in Europe until it joins the European monetary system, said Mr. Roy Jenkins, president of the European Commission, yesterday. Coinciding with the quickening pace of the EEC's internal debate over the size of the UK's net budget contribution, Mr. Jenkins' appeal is a significant indication of what he and some of his colleagues would like to see flowing from the delicate negotiations that lie ahead between Britain and her Community partners.

But the UK's position, reasserted by Sir Geoffrey Howe, Chancellor of the Exchequer, in Brussels on Monday, remains that British participation in EMS is ruled out for the time being by the uncertainty and volatility enveloping sterling as a result of North Sea oil. Nevertheless, the Commission would not be unhappy to see Britain's EEC parners pressing for UK participation as a condition for concessions on easing its budget burden.

Mr. Jenkins' claim that, without sterling the EMS is "frankly incomplete," came during a lengthy address to the European Parliament in Strasbourg, in which he reported on Community developments during 1979 and presented an outline of the Commission's programme for 1980.

He commended the Commission's paper suggesting the special fund for EEC spending in Britain, as offering the basis of a settlement of the problem. British European MPs, both Conservative and Labour, tend to agree, although many doubt that a settlement can be reached at the next heads of government summit in Brussels at the end of next month.

The likely ensuing domestic row will take place against a darkening economic background in 1980 which Mr. Jenkins saw as the possible "break up of the established economic and social order on which post-war Europe was built."

Rising energy prices were acting as the catalyst, he said, and as a result economic growth in the EEC would fall substantially below the Commission's 2 per cent forecast for 1980 issued at the end of last year. Unemployment would rise from 5.6 per cent last year to above 6 per cent this, and inflation from 9 per cent to nearly 11.5 per cent.

Schmidt and Thatcher to meet before summit

By Jonathan Carr in Bonn

BRITISH AND West German leaders will meet in the UK on March 28 and 29, just before the European Council (summit) meeting at which Britain's EEC budgetary problem will be a key issue.

Government officials stress that the talks between Chancellor Helmut Schmidt and Prime Minister Margaret Thatcher cannot of themselves produce a solution to the budget issue, which is a matter for all nine EEC member states.

Nonetheless, it is hoped that the discussions will clarify the respective standpoints on the budget and help pave the way for a successful Council in Brussels on March 31 and April 1.

The officials believe that Brussels should produce a package deal, in which precise commitments are made on, among other things, cutting the cost of the common agriculture policy (CAP) and agreeing on the EEC regulation for lamb desired by the French.

It is felt that only through agreement on these items can the financial and political room for manoeuvre be created for a simultaneous decision to cut Britain's budget contribution.

Without such a package, it is believed that accord on the budget would have to wait until later in the year at least.

Britain is demanding a big cut in its estimated net contribution to the EEC budget this year of around £1bn on the grounds that it is one of the poorer member states. An EEC Council meeting in Dublin last November failed to solve the issue.

Since Dublin, Bonn has noted signs of a greater British readines to compromise among them the abandonment of demands for a "broad balance" between EEC receipts and expenditure.

It is also felt that Britain has been seeking to follow more moderate policies on fish and North Sea oil pricing to help create an atmosphere in which the budget question could more easily be resolved.

Low-key approach by Chirac

By Robert Mauthner in Paris

M. JACQUES CHIRAC, the leader of the Gaullist RPR party, yesterday broke his eight-month public silence with a news conference which, in spite of all the advance publicity, produced none of the expected fireworks.

Though M. Chirac is generally expected to run as the Gaullist candidate in the next presidential election, due in the spring of 1981, he refused to answer any questions on the subject and has still not announced his candidature.

The Gaullist leader was also uncharacteristically restrained in his comments on the Government's policies, which he has often attacked sharply in the past, and refrained from making any personal attacks either on President Giscard d'Estaing or M. Raymond Barre, the Prime Minister.

The explanation for M. Chirac's low key attitude is clearly that he has learnt his lesson from the unfavourable impact that his previous anti-Government outbursts and destructive parliamentary tactics have had on public opinion.

Though M. Chirac implicitly criticised President Giscard for not showing enough firmness in his attitude towards the Soviet Union after the invasion of Afghanistan he nevertheless made it clear that he supported the basic principles underlying France's current policy.

Renewed concern over Tito

By Aleksandar Lebl in Belgrade

OPTIMISM in Yugoslavia over President Tito's recovery has been replaced by a renewed worry now that medical bulletins are referring to malfunctioning of his kidneys and weakening of the heart.

In view of his 87 years the medical team may not succeed in their attempts to save President Tito's life and that awareness has been spreading in spite of the carefully worded bulletins.

After six weeks of closely watching Tito's struggle the Yugoslavs are now resigned to the possibility of losing him before long.

However, the authorities appear to be keen to show no outward anxiety over his deteriorating health.

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USSR urges allies to close ranks

WARSAW — The Soviet Union yesterday urged its Eastern Bloc allies to close ranks against a possible threat from the United States and China. Moscow's powerful politburo theoretician, Mr. Mikhail Suslov, issued the appeal at Poland's Eighth Communist Party Congress, the first such East European gathering since the Soviet intervention in Afghanistan.

"The West is using every means it can to undermine the solidarity of Socialist countries, so it is all the more important that we strengthen nur alliance," he said.

Mr. Suslov called for detente with the West to continue, but his stand was tougher than that adopted by Mr. Edward Gierek, the Polish party leader, in his opening address on Monday to the five-day congress. Mr. Gierek offered to bost East-West talks in Warsaw to defuse what he called the growing tensions and dangers in the world.

Mr. Suslov condemned the U.S. threat to nse military force to defend its interests in the Gulf, saying the Americans were acting in collusion with the Chinese.

"The U.S. decision to concentrate *forces* near the Iranian borders is not incidental, bnt it is part of a planned and deliberate policy to check the progress of developing nations," he said.

Reuter

Anthony Robinson writes from Warsaw: Poland is hoping to obtain between $6.5bn-$7bn this year if trade credits are added to its formal borrowing requirement, Mr. Marian Krzak, the First Deputy Finance Minister, confirmed yesterday.

He also said that debt repayments and interest this year will cost $4.5bn to $5hn and that substantial supplier credits will be required even though this year Poland hopes to break even on its visible trade with the hard currency area.

Exports last mnnth rose by 63 per cent from the artificially low January, 1979, figures. Then exports were held up by the freezing of transport and port installations. Higher exports resulted in a $165m surplus in hard currency trade last month, said Mr. Krzak.

Poland had also benefited from higher world copper and silver prices. The country produced under 800 tonnes of silver last year and exported 360 tonnes, while copper exports were around 160,000 tonnes. Poland expects to export a higher proportion of its silver production this year.

In an interview with Western journalists, Mr. Krzak cnnfirmed that the Soviet Uninn had provided a $1bn hard currency loan but denied that there was any formal "Soviet umbrella" in the form of an undertaking tn bail out Comecon borrowera.

He pointed out, however, that half of Poland's trade took place with the Socialist countries and some of the exports theoretically could be transferred to hard currency markets if the need arose. Poland currently imports 3.5m of its 17m tonne oil consumption from OPEC countries and this is expected to rise. It will pay for these higher imports by expanding its exports to OPEC countries, he said.

Mr. Suslov: tongb talking in Warsaw

Moscow demands Romania toes the line

BY PAUL LENDVAI IN VIENNA

THE SOVIET leadership haa bluntly warned President Nicolae Ceausescu of Romania that be should be more loyal to the Warsaw Pact and should stop causing political embarrassment to Moscow in "a very complicated international situation." According to reports in Bucharest, Mr. Andrei Gromyko, the Soviet Foreign Minister, took the opportunity of his recent visit to Romania to present a list of demands.

Romania should refrain from giving political, diplomatic or military aid to any country ln Europe or Asia whicb is involved in a dispute with the Soviet Union, he said.

It should also avoid "provocative" actions, such as abstaining from voting at the United Nations on the Soviet intervention in Afghanistan, and should co-ordinate its international actions with the agreed line of the "Socialist community of states."

Mr. Gromyko is understood to have further insisted that Romania loosen its close bonds with neighbouring Yugoslavia.

Most intriguingly, the Foreign Minister apparently suggested that Romania use its good Western contacts to buy high-technology products wbich President Carier has embargoed for sale to Moscow and that, by implication, it should resell them to tbe Soviet Union.

According to one report, Mr. Gromyko also demanded that Bucharest grant transit facilities, by means of a rail or land corridor, to Bulgaria and other Balkan countries, an idea flatly refused in the past.

These reports about Soviet pressures have originated in the Romanian capital, as so often in the past and are clearly a deliberate leak, skilfully camouflaged so that Moscow cannot blame officials in Bucharest.

How President Ceausescu replied to the Soviet demands is not known, but according to one report, be asked for time to study the issues.

India presses for Soviet withdrawals

NEW DELHI — Prime Minister Indira Gandhl yesterday told Soviet Foreign Minister Andrel Gromyko that Moscow sbould help reduce tension in this region through such measures as withdrawing Russian troops from Afghanistan, an Indian Government spokesman indicated.

Mr. Gromyko, arriving on a two-day official visit, was given India's views on defusing the Afghanistan crisis during a three-hour meeting with Mrs. Gandbi, including nearly 25 minutes with no aides present.

The session ended with the two sides agreeing to consult further at continuing talks Wednesday about "measures by whicb the tension in the region can be defused," Indian External Affairs Ministry spokesman Mr. J. N. Dixit told reporters.

Answering reporters' questions, Mr. Dixit said the official Iodian view includes two major points — a bope that Soviet forces will withdraw from Afgbanistan, and strong opposition to American plans for a military build-up of Pakistan.

Afghanistan and India have expressed concern about attempts by certaio countries to turn Pakistan into a base for armed aggression against Afgbanistan, the Soviet News Agency TASS reported from Kabul.

The mention of Pakistan came in a joint statement issued after talks in Kabul between the Afghan Government and Indian special envoy Shilendra Kumar Singb.

Agencies

David Buchan in Washington adds: White House officials are prepared for Moscow to launch a "peace offensive" by withdrawing a token force from Afghanistan.

U.S. demands for a total Soviet pull-out was restated by Mr. Zibgniew Brzezinski, the National Security Adviser to President Carter.

The Security Adviser's remarks were reinforced by Mr. Harold Brown, the Defence Secretary, who suggested in a joint lnterview with Russian officials on Monday nlght that Moscnw mlght be about to indulge in a ploy of a well-publicised withdrawal of one division, and the clandestine move of perhaps two divisions back to Afghanistan.

Meanwhile, U.S. officials have reported agreement with three Indian Ocean states — Oman, Kenya and Somalla—to give the U.S. certain temporary base rights in case of emergency, along with permission to make regular port visits and to store equipment.

Top legal official murdered in Italy

By Rupert Cornwell in Rome

THE ONSLAUGHT by Italian terrorists reached a peak yesterday wben gunmen assassinated the deputy president of the Higher Council of Magistrates in the heart of Rome University campus. The killing of Professor Vittorio Bacbelt is perhaps tbe most serious cballenge to tbe state since the kidnap and murder of former Prime Minister Aldo Moro in 1978.

The Higher Council of Magistrates is the most senior regulatory body of tbe Italian judiciary. Its titular head is the president of the republic, Sig. Sandro Pertini, but in practice it is the deputy president who is in daily charge of its affairs.

The 53-year-old Professor of Civil Law was president of Azione Caltolica, the influential Catholic activist movement, between 1964 and 1973 and had close links with the Vatican. He also served in 1976 as a Christian Democrat councillor in the Rome municipality.

Police sealed off the university campus after the killing, but to no apparent avail. The news caused consternation and dismay both in the Valican and at the Italian Parliament. The session of the Senate in progress was suspended, and President Pertini weot at once to the scene of the assassination, followed by other leading politicians and Ministers.

Telephone calls to two Rome newspapers later claimed that the Red Brigades, who carried out the Moro operation, were responsible for the killing.

Although eyewitness accounts were confused, the murder appears to have been carried out by three gunmen, one of wbom was a woman. They escaped in a car brought into the university grounds.

The outrage is a devastating reply by extremists to the President himself. Only last Friday, Sig. Pertini, opening the new academic year at violence-ridden Padua University, declared himself in the front line of the fight against terromism.

By gunning down Professor Bachelet, the terrorists have signalled their scorn of his commitment and of the anti-terromism Bill passed by Parliament this month, in the teeth of Radical party obstruction.

The sbooting can only intensify the actue political uncertainty here oo the eve of the key national congress of the ruling Christian Democrats.

Anti-nuclear feeling grows in Belgium

BY GILES MERRITT IN BRUSSELS

THE SMALL Belgian town of Huy looks little more than a picturesque stop-over on the banks of the River Meuse for tourists crossing to the forests of the Ardennes. But it is fast becoming a rallying point for Belgium's anti-nuclear movement in its fight to block nne of Europe's most ambitious atomic energy programmes.

For Huy is host to one of Belgium's targest nuclear power complexes at nearby Tihange and the town is growing uneasy about the question of safety standards.

Huy's mayor, Mr. Fernand Hubin, is a man wbo knows how to make formidable use of his municipal powers. His town council has just voted through a new local tax on electricity production, and it just so happens that the only such operation inside the community is the giant Tihange reactor. It means that unless the jointly-owned Franco-Belgian power station can get the Government to step in, it will find its existing local tax burden tripled to well over £1.5m.

As a ploy lt is, in fact, considerably less dramatic than Mr. Hubin's previous move against Tihange. Last year, he simply closed down the reactor, costing its operators an estimated £2m. In the wake of the Three Mile Island accident in the U.S., Mr. Hubin decided that Tihange represented a similar threat and simply used municipal ordinances to order its immediate shut-down.

So strong is *local* government's power in Belgium that it required an emergency Cabinet meeting with King Baudouio and a Royal Decree to re-start the reactor.

Huy's nuisance value may sound a bit like "The Mouse That Roared," yet it is the outward and visible sign of the anti-nuclear feeling that has been sweeping Wallonia, the French-speaking southern half of the country. In terms of political parties, a clear majority is in varying degrees opposed to the nuclear energy programme now that the powerful Parti Socialiste is swinging its weight bebind the protestors.

A number of recent incidents and scares bave helped make the anti-nuclear movement in Belgium more formidable than it was even at the end of last year. On New Year's day an elderly nuclear power station, astride the French horder at Chooz in the Ardennes and also operated on a fifty-fifty basis with France, was closed down for 24 hours. The 23-year-old 305 MW power station developed a water leak from its cool*ing system*, but the authorities emphasised that the age of the plant was of no relevance.

Three days later trouble struck again. Not at Chooz but at Tihange and Doel, near Antwerp, where 930 MW nuclear pnwer stations are nearing compleiioo as part of the expansion of both existing planis. It was confirmed that the reactor vessels built by France's Framatome were presentiog similar technical problems to those that had already caused an outcry in France.

Like the French Tricastin and Gravelines reactors, Tihange 2 and Doel 3 were sbowing signs of hairline fissures. Official reassurances that ultrasonic testing will ensure that Belgium's high safety standards are observed have done something to smooth pnblic opinion—although not enough to prevent the Walloon Socialists linking up with the francophone Christian Democrats and the Rassemblement Walloon in what looks like a common anti-nuclear front.

Right now, the anti-nuclear lobby has two other targets in its sights. It hopes to prevent the re-opening of the country's nuclear waste reprocessing facility at Mol, near the Dutch border, and the start of work in 1981 on a huge 1,300 MW addltion to the Chooz complex. But lt is the implicatlons for Belgium's very ambitious nuclear energy strategy as a whole that are beginning to worry the Government most.

Belgians are the European Community's most lavish users of energy. Per head they use more than West Germans, the French or the British and, indeed, are only a little way behind the U.S.

Belgium's present energy requirement is around 47m tons of oil equivalent yearly, and in 10 year's time it will have risen to around 60m if barsh conservation measures can be applied or to 75m if they are not. For the year 2000 the Ministry of Economic Affairs in Brussels has produced some extrapolations that suggest consumption will have risen to a frightening 100m tons of oil equivalent a year.

Imported oil accounts for 53 per cent of present needs, and the medium-term target is to drive tbat proportion down to less than 50 per cent. But the gap to be filled by nuclear power is very wide. At present it accounts for just 6-7 per cent of all energy, and by 1985 that shnuld be boosted tn nearer 16 per cent.

Belgium nevertheless has a formidable head start in its nuclear power programme. The Gnvernment, together with the three private sector utilities, has been convinced since the mid-1960s of the simple truth that nuclear generated electricity costs two-thirds of that produced by coal-fired power stations. The result is that today, just over 25 per cent of all Belgium's electricity is nuclear.

That puts Belgium well ahead of all other industrialised nations on a proportional basis, *and if the current 1978-88 plan* is fulfilled the Belgians will retain their lead over all but Switzerland. By 1988 Belgium aims to have notched up yearly increases in nuclear generated electricity of 12.5 per cent on average. That will yield a total proportion of all electricity from ouclear plants of 53 per cent.

The scale of the Belgian programme can best be judged alongside that of France. If the much-vaunted French programme succeeds, France's level of nuclear produced electricity will in 1988 reach just 44 per cent of the whole.

If political forces lead to a reversal of Belgium's nuclear strategy — and Walloon discontent has its counterpart in Flaoders, the northern, Dutch-speaking half of the country — the planners will have nn choice but tn reassess other forms of energy use.

WORLD TRADE NEWS

Nigeria expected to amend import inspection scheme

BY MARK WEBSTER IN LAGOS

THE NIGERIAN pre-shipment inspection scheme for imports is likely to be amended in the April 1 budget, businessmen bere believe. But the Nigerian Central Bank has strongly opposed abolition of the system despite its unpopularity in some business quarters.

The scheme was introduced by tha previous military government on January 1, 1979, in order to control the pricing. quality and qnantity of imports. In the face of continuing protests from tha hosiness community, especially about the delay in pcocessing the form M foreign exchange form by the Central Bank, the civilian administration of President Shehu Sbagari has ordered a review of the system.

Commission

Figures released by the Central Bank sbow that the Swiss company wbich carries out the inspections, Societe Generale de Surveillance (SGS), claims visible savings of around Naira 67.1m (£57.1m) on the Naira 2.2bn worth of goods wbich it processed in 1979.

The company received a commission on the basis of the value of the goods inspected of SwFr 48.6m (£13m), according to the director of foreign exchange at the Central Bank in a recent inlerview here.

The savings whicb SGS said they bad effected were predominantly on the price of imported goods (naira 59.6m) while on quantity and qnality they saved naira 723,000 and on "repatriable commission" they aaved naira 6.2m.

Repatriable commission is the system of adding a sales commission to the price of the goods for payment to the Nigerian importer.

The Central Bank argues that in addition to these visible savings there must have been a considerable invisible gain because of the deterrent effect the pre-shipment inspection might have on fraudulent transactions.

Opponents of the schema point out that the visible savings represent only 3 per cent of the total goods inspected, and they contrast that with the unquantifiable loss to the economy whicb resulted from tha disruption caused by the introdnction of the scbeme.

The main problem when tha system was introduced was the alow processing of the form M by the Central Bank whicb was necessary before the goods could be inspected and hcought into the country.

The Central Bank says that the long delays, which sharply reduced all imports to a grinding balt early last year, have now been reduced to a matter of weeks.

But the hank says it would not be opposed to some form of modification of the scheme. The complaints from the business community make it likely that a means will be found to speed up the Form M processing.

David Satter in Moscow reports on the uncertainty surrounding Washington's anti-Soviet action

East-West confusion over U.S. technology embargo

THERE IS an atmosphere of confusion and uncertainty in Moscow about the future of East-West trade as Western businessmen wait to see what will be included in the U.S. high-technology embargo.

The British Government has so far not announced a strategic embargo against the Soviet Union, but Britain may not bave to take this step because important British exports to the Soviet Union, such as oil and gas equipment and computers, have a large American content and may be interdicted by the U.S. embargo.

Soviet officials, who appear anxious to maintain some trade momentum, are encouraging a "business as usual" attitude, but with neither side able to make firm commitments, commercial activity bas come to a virtual standstill.

The U.S. has suspended all valid export licenses for high technology exports to the Soviet Union, and this means that deliveries must be halted even on contracts where the export licence was granted long ago

This bas led to an impasse in many areas because businessmen are reluctant to sign contracts calling for immediate deliveries until the specifics of the U.S. embargo are announced and the Soviets are unwilling to sign contracts or even to enter into detailed negotiations where deliveries are in doubt

There was no figure available for the value of contracts for which U.S. export licenses have already been granted and which are now in abeyance, but U.S. officials said that the valne of contracts for which export licenses were pending was about $155m (£67.3m).

If the U.S. embargo is comprehensive, however, it will have wide effects by also restricting all those companies which use U.S. components. The situation would be especially serious for the Soviets in the areas of silicoo chips, micro-circuitry and compnters. No Western European country has an electronics company which relies entirely on domestic manufacture.

Quest Automation, for example, a small British company which has done well in the Soviet market, sells computer-assisted drawing board equipment, but there is an American component in the system and, until the details of the U.S. embargo are announced, new orders have been frozen.

The U.S. embargo may not cover all U.S. non-agricultural goods exports. The sale of oil and gas equipment must be licensed under the existing rules, but accessories such as pipehandlers and pressure-sensitive tape for wrapping pipelines have been sold without licenses in the past. The uncertainty about what the embargo will include is one reason U.S. businessmen are still coming to Moscow, althongh in smaller numbers, and still being received.

The situation is not altogether discouraging for the Soviats. Tbe West Germans and the French have agreed to a review of the COCOM system on strategic exports, but changes in the rules are not imminent. In the meantime, France can provide the Soviet Union with steel and chemicals prodncing plant, and French business men bave been arriving in Moscow in large numbers. Similarly, no U.S. embargo will affect West German exports of equipment for the steel manufacturing complex being constructed near Kursk or shipments of large diameter pipe.

There are now no major contracts on the horizon. But Armco is understood to bave pulled out of the contract for one of the largest electric steel plants in the world, near Novolipetsk. Nissan is now considering wbether to proceed without its U.S. partner. Negotiations are still under way for a contract for a $500m aluminium smelter to be built in Siberia despite the decision of the Aluminium Corporation of America (ALCOA) to freeze its participation.

The unpredictability of the present trade situation would have hopelessly complicated these negotiations and they are now recessed.

The prevailing nncertainty has also affected the Soviet planning process. Little is known about new projects planned for the 1981-85 period because there have been long delays in drawing up the guidelines for the next five-year plan. They are now not expected to be issued before the end of 1980.

Spain promotes arms sales

BY ROBERT GRAHAM IN MADRID

FOREIGN TRIPS this week by the Prime Minister, Sr. Adolfo Suarez, and senior defence officials bave underlined Spain's desire to promote its own armaments industry.

Tha industry, largely controlled by INI, the stata holding company, is anxious hoth to export more equipment and raise the local production content of armaments acquired abroad.

The most important trip concerns consultations held hy Sr. Augustin Roderiguez Sahagun, the Defence Minister, in West Germany this week. Accompanied by a team of officers and armaments industry experts, he has been seeking ways of dovetailing the armaments programmes of the two countries for the 1980s.

Spain is looking for opportunities to offer itself as a defence sub-contractor, as well as to acquire access to new tecbnology through joint pcogrammes.

So far Spain's principal military production co-operation has been with France. The French AMX-30 tank is being manufactured under licence here, there is alao co-operation on missile prodnction and Spain contributes a small part to the Mirage production.

Last year, bowever, tha Spanish anthorities signed an agreement with West Germany for the prodnction of a new battlefield helicopter.

A second visit connected witb defence procurement concerns that of Air Force General Emilianc Alfaro, who is in the U.S. for a detailed examination of the F-16 and F-18 fighters. One of these is shortly expected to be chosen as Spain's new air defence fighter for the 1980s.

Meanwhile. Sr. Suarez, who yesterday lefl Iraq for Jordan, has been trying to interest the Iraquis in Spanish hardware.

ECGD limits cover for Jamaica

BY CANUTE JAMES IN KINGSTON

BRITAIN'S Export Credits Guarantee Department (ECGD) has withdrawn credit insurance cover for exports to Jamaica from third countries sucb as the U.S. and Canada. Cover is now limited to goods supplied to the island from the UK and then only when sold on credit of less than 180 days.

The restriction of the insurance cover has affected the island's ability to import goods under several lines of credit which, according to Central Bank officials, were being used extensively to purchase raw materials from the U.S. and Canada as well as the U.K.

The use of lines of credit, arranged with the Bank of Jamaica by UK merchants Thomas Bell and Gillespie of the Yule Catto group for which ECGD provided insurance cover, was "quite significant" a Central Bank spokesman commented. Trade Officials in Kingston are now seeking new methods of financing these purchases.

Though they are reluctant to give reasons for the ECGD's move they indicated that it might have been the result of an assessment of the state of the island's economy. For the second time in two years the Jamaican Government is having to renegotiate its loans with the International Monetary Fund following its failnre to meet economic criteria

Our World Trade staff adds: In London ECGD confirmed that it was no longer providing cover for third country exports to Jamaica and is only providing cover for UK exports supplied on short term credit. It added that this is one of the early measures usually taken when a market is considered to be suffering economic problems which could affect payments for UK exports.

The Department would not however disclose the extent of its liabilities in Jamaica.

India to export jet fighters

By K. K. Sharma in Bangalore

HINDUSTAN AERONAUTICS, the Indian public sector aircraft company which mainly manufactuers for the Indian Air Force, is planning to sell jet fighters and helicopters to other countries. If successful this will be the first time that India has exported arms of this kind.

The aircraft to be exported are not intended for use in major offensive operations although they could be adapted for this purpose. The main object is to sell them for training and counter-insurgency operations.

Initial contacts have already been made and the most likely customer for the jet fighters, named the Kiran, is Malaysia. Other potential customers are in the Middle East.

The Kiran, manufactured in Bangalore and developed by Hindustan Aeronantics, can carry two sets of 7.62 millimetre guns or carry two 50 kilogramme bombs or two pods for cockets. It is believed that many countries would like to buy such aircraft from India rather than other traditional suppliers like the U.S. or Russia which sometimes suspended sales for political reasons.

Hindustan Aeronautics also hopes to sell helicopters to similar countries and has made initial soundings. The most hopefol customer for these is Nepal wbich needs them for agricultural spraying work. The company's export orders are increasing although they are a minute part of its sales turnover.

However exports are expected to double this year to reach ropees 10m (£550,000). There are hopes also of exporting consultancy services and aircraft components.

Swiss pacifist group seeks new referendum

By John Wicks in Zurich

A NEW referendum against arms exports is the aim of a campaign soon to be launched by a Swiss pacifist group beaded by Edmond Kaiser, founder of the international children's aid organisation "Terre des Hommes."

M. Kaiser recently staged a moch-publicised bunger strike against the sale of Swiss armaments to foreign countries. The last Federal referendum of this kind was beld in 1972 and failed to obtain the necessary majority.

Figures just issued by the country's Ministry of Defence show that Swiss arms exports last year amounted to SwFr 424m (£114m), or almost exactly the same as in 1978. This is equal to rather less than 1 per cent of total Swiss exports.

Major markets abroad for Swiss arms were in 1979 Federal Germany, Austria, Spain and the Netherlands. Supplies to Iran have not taken place since October, 1978, and last autumn, the Ministry says, applications to export arms to Chile and Taiwan were refused by the Government.

Swiss law forbids the sale of arms to areas in which armed conflict is taking place or threatens to take place "or where other dangerous tension prevails."

VHS system said to have 70% of UK video imports

BY NICHOLAS COLCHESTER

AN ESTIMATED 180,000 domestic video recorders were imported into the UK in 1979 compared with 80,000 in 1978, according to Japanese Victor Company (JVC), a subsidiary of Matsushita Electric.

At the opening of a Video Information Centre in London yesterday, Mr. Kurt Lowy, the managing director of JVC (UK), claimed that 135,000 of these imported machines used the VHS system developed by JVC. "Taking into consideration stocks at warehouses and dealers at the end of the year, we believe that VHS bas a market share of over 70 per cent," be said.

Mr. Toshiyasu Watanabe, the Tokyo-based manager of JVC's Europe department, put these figures into perspective. The market share of something over 70 per cent for VHS in 1979 compared with a roughly equivalent figure of 66 per cent in 1978 when 53,000 of the 80,000 imported bome video recorders were VHS machines.

He said that the UK imports of 180,000 machines compared with total Japanese exports to Europe last year of 553,318 units. This, in turn, compared with Japan's total exports last year of 1.671m home video units and its total manufacture of 2.16m units. JVC's own sbare of European markets ranges between 10 and 20 per cent.

No progress in Concorde talks

By Michael Donne, Aerospace Correspondent

THE JOINT British Airways-Singapore Airlines Concorde service between London and Singapore is to continue, despite the two airlines' inability to agree on the division of the costs of the service.

Five days of talks in Singapore, which ended yesterday, failed to reach agreement on such matters as the compensation fee that BA pays to SIA for any loss of first-class passengers from subsonic Jumbo jet services to Concorde.

● Aeronaves del Centro of Venezuela has ordered three British Short 330 commuter airliners from Short Brothers Harland and Wolff, Reuter reports from Belfast.

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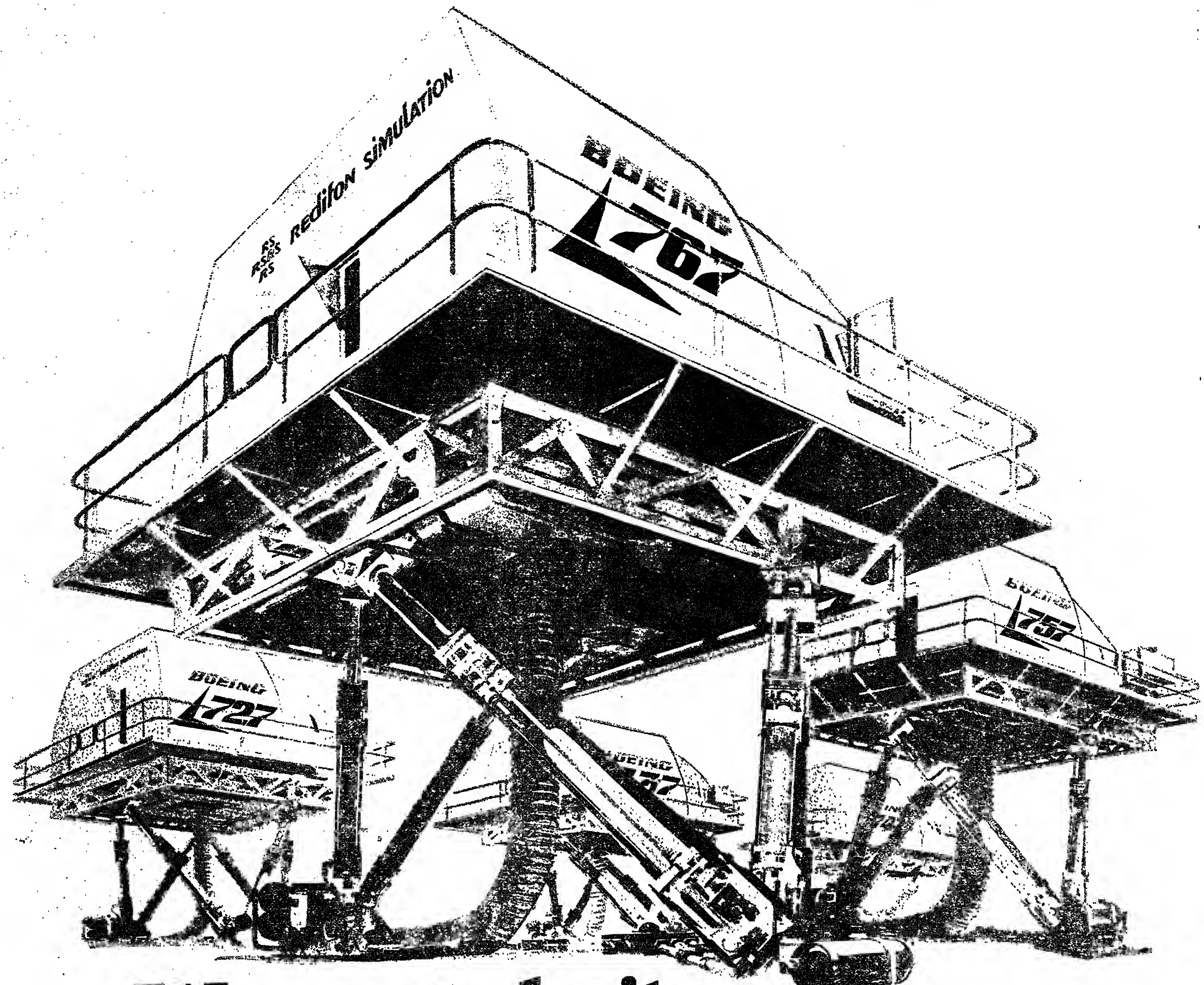

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Britain aims at PLO in new Mideast peace bid

BY OUR FOREIGN STAFF

BRITAIN, in consultation with other members of the EEC, has begun an initiative on the Arab-Israeli conflict aimed at maintaining the momentum of the peace talks between Egypt and Israel.

The aim is to find a means of drawing the Palestinians, in particular the Palestine Liberation Organisation, into recognising Israel directly or indirectly through acceptance of the fundamental United Nations resolution 242 of 1967, of which Britain was the main author.

This resolution calls for the "withdrawal of Israeli armed forces from territories occupied in the recent conflict" and the "acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognised boundaries."

A major hindrance to Palestinian acceptance of this resolution has been the fact that it merely "affirms . . . the necessity . . . for achieving a just settlement of the refugee problem." The British idea is that Resolution 242 should be reaffirmed but also supplemented by a clause calling for Palestinian self-determination in the context of a negotiated settlement.

The impetus for this proposal to supplement the Egypt-Israel talks comes from the visit last month of Lord Carrington, the Foreign Secretary, to Turkey, Saudi Arabia, Oman, Pakistan and India following the Soviet intervention in Afghanistan. Post-Camp David negotiations appear to be reaching an impasse on the question of autonomy for the Palestinians on the West Bank of the Jordan and in the Gaza strip.

The Foreign Secretary returned firmly convinced that both the Arab and Islamic countries were hostile to the negotiations, and that whatever their merits something extra was needed. He was convinced too that these same nations felt unable to generate regional co-operation or closer co-operation with the West until the key questions of Jerusalem, whose eastern part was annexed by Israel after the 1967 war, and of the Palestinians had been tackled.

With the U.S. Government tied up with elections, he concluded that as a means of trying to open other channels a supplemented version of Resolution 242 with European backing would provide a way.

If the intitiative succeeds and the PLO accepts a supplemented resolution with its implied recognisition of Israel, Mr. Menahem Begin's Government in Israel would find it hard to continue refusing to talk with the PLO.

Success would also accelerate the gradual process of European recognition of the PLO, which has been one of the organisation's diplomatic aims in past months.

Ihsan Hijazi reports from Beirut: Talks are to be held in Damascus today to determine the future of the overall Syrian role in Lebanon and to lay down a formula for a clearer relationship between the two countries.

An announcemant in Beirut said the Lebanese delegation to the talks would be headed by Dr. Selim al-Hoss, the Prime Minister, and would include two Cabinet members

If the talks are successful, a conference would be arranged between Mr. Elias Sarkis, the Lebanese President, and President Hafez al-Assad of Syria, and the Syrians might put off indefinitely their decision to withdraw their forces from Beirut and its suburbs.

Japan acts to curb price rises

Japan's Economic Ministers yesterday adopted three measures to curb price rises following the announcement of a 2.1 per cent rise in the wholesale price index in January, Reuter reports from Tokyo.

The measures are strict Government supervision of increases in public utility rates, scrutiny of industrial product prices and encouragement of vegetable deliveries to cities. The Government will also call for increases in electricity and city gas rates well below the 60 per cent rises sought by the power companies.

Philippines opposition

Four Philippines political groups announced yesterday that they would unite to form a national opposition to President Ferdinand Marcos, Reuter reports from Manila.

The announcement comes a fortnight after the country's first local elections under martial law which the new group opposes. President Marcos's New Society Movement won nearly all seats in the polls to elect 73 governors, 1,500 mayors, their deputies and local councils.

Colombo doctors 'sick'

The main hospitals of Colombo and Kandy have been disrupted because several hundred Government doctors have reported sick simultaneously, Mervyn de Silva reports from Colombo. The doctors' association said yesterday that the action would spread throughout Sri Lanka by the end of the week. The action is the climax to a six-month dispute with the Government which will not allow its doctors to sit London examinations. Examinations are being conducted locally by a newly established post-graduate medical institute.

Kriangsak reshuffles in bid to restore confidence

BY OUR FOREIGN STAFF

GENERAL Kriangsak Chamanand, Prime Minister of Thailand, has completely reshuffled his Cabinet in a bid to scotch mounting criticism of the Government's handling of severe economic problems.

Gen. Kriangsak has appointed Air Chief Marshal Sitthi Savetsila as Foreign Minister in place of Dr. Upadit Pachariyangkul. Dr. Upadit, a career diplomat, has held the post through the past three Governments. He was widely regarded as a pleasant but ineffectual spokesman on foreign affairs.

Air Chief Marshal Sitthi combines his new post with those of senior refugee co-ordinator and secretary-general of the National Security Council. He is expected to link the Thai military more effectively with foreign policymakers and international agencies in their efforts to contain the conflict on the eastern border in neighbouring Kampuchea.

Gen. Kriangsak has resigned as Finance Minister, a move which has been widely welcomed. He has handed the portfolio to Sommai Hountrakul, an experienced financial expert who held the position before Kriangsak came to power in 1977.

News of the changes ends months of speculation over the political future of the Prime Minister. He recently cancelled a trip to Europe to deal with domestic and foreign problems.

While the conflict in Kampuchea is a constant worry, most concern has been expressed over the problems in the economy, caused mainly by rising energy prices and accelerating inflation.

Gen. Prem Tinsulanonda has retained the Ministry of Defence. The survival of Gen. Kriangsak as Prime Minister is thought to depend on continued support from Gen. Prem.

Fierce fighting in Gonbad

TEHRAN — Fierce fighting raged in the north-eastern Iranian town of Gonbad-e-Kabus yesterday as Revolutionary Guards backed by troops moved in to crush a four-day rebellion by Turkoman guerrillas.

One local resident reported that Government forces were attacking the Turkomans with artillery, mortars, grenade-launchers and automatic rifles. The guerrillas were said to be shooting back from private houses and defending themselves with grenade-launchers captured in an eight-day uprising last spring.

Hospitals refused to give casualty figures. But residents said at least six Turkomans and seven Revolutionary Guards had been killed yesterday, taking the total deaths to at least 32 with several times that number wounded.

Meanwhile, some 7,500 men are said to have been purged from the Iranian armed forces since last year's revolution. A report in a Tehran newspaper quoted the head of the Iranian Joint Chiefs of Staff as saying that the purge was ordered by a five-man committee at the Defence Ministry approved by the ruling Revolutionary Council.

Mr. Sadeq Qotbzadeh, Iran's Foreign Minister, said he hoped the embassy hostage crisis would end soon, adding that Iran would co-operate with Dr. Kurt Waldheim, the U.N. Secretary-General "in this matter." Mr. Qotbzadeh was due to leave last night on a three nation European tour beginning in Greece. It is his first trip abroad since becoming Foreign Minister.

Agencies

U.S. retail sales surge in January

By Our U.S. Editor

THE U.S. consumer's propensity to spend continued unabated last month, with the Commerce Department reporting that retail sales rose by a remarkably strong 2.3 per cent in January, compared with December.

The Department did revise downwards its previous estimate of a 1.1 per cent advance in December to a more modest 0.5 per cent. But this did not disguise the fact that the underlying trend in consumer spending continues upwards, in spite of the ravages of inflation.

Some special factors may have been at work in the last month and more—there has been a small increase in car sales from the depressed levels of late last year, bought on by a variety of incentives to buyers offered by manufacturers.

Even so, the resilience of the consumer continues to amaze economists and to provide an underpinning to the economy which is now causing many to wonder if the long-overdue and widely-heralded recession will indeed occur in the first half of this year—as the Carter Administration is predicting.

There is serious doubt that the sort of increase registered in January can be continued. Consumers are financing spending by dipping into savings at a remarkabla rate.

The savings rate in the U.S. at the end of last year had dropped to about 3 per cent, an historically low level, while consumer debt, ever more expensive given prevailing interest rate levels, has mounted.

Some contraction, therefore, appears inevitable. But there is no unanimity of view as to when it will take place and suspicion is growing that the surge in the first month of the year alone will ensure that the economy shows some real growth in the first quarter.

New Jersey plan to tighten casino controls

By David Lascelles in New York

NEW JERSEY'S fledgling casino gambling industry, the first outside the state of Nevada, has been hit by allegations of corruption, prompting Governor Brendan Byrne to propose tighter controls.

Saying it is time to "begin restoring public confidence" in gambling controls, he wants to abolish the State Casino Control Commission and replace it with five full-time commissioners. The commission now consists of four part-time commissioners and a full-time chairman.

He also wants an "ethics legislators, judges and state employees from working in the casino industry within two years of leaving office.

These proposals would have to be approved by the State legislature.

Governor Byrne's action was prompted by charges arising from the "Abscam" investigation that several State representatives had been selling their influence at the casino commission. "Abscam" is the popular name for the FBI's bribery investigation in which agents posed as wealthy Arabs seeking business and other favours.

Carter unveils nuclear waste plan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER yesterday unveiled a major nuclear waste programme, which would start burying high-level radioactive waste by the 1990s and expand storage for less dangerous spent fuel before then.

Mr. Carter called it "this nation's first comprehensive radioactive waste management programme," and said the problem of permanently isolating dangerous waste could no longer "be deferred to future generations."

The U.S., Mr. Carter said, would be prepared to store or bury "a limited amount of foreign spent fuel" where this would serve his Administration's nuclear non-proliferation goals. Mr. Carter has sought to discourage other countries from reprocessing spent fuel, because weapons-grade plutonium is extracted. But storing spent fuel is difficult for many countries without the wide-open spaces and geological variation of the U.S.

Elements of Mr. Carter's programme require congressional approval, but the President yesterday announced a number of steps and goals. Past federal efforts, he said, had foundered because states had not been closely enough involved, and he has now set up an advisory panel comprising 15 state governors and chaired by Governor Richard Riley of South Carolina, which already has one of the country's biggest storage facilities.

By 1985, Mr. Carter said, the Government would select a permanent burial ground for high-level radioactive waste from among 11 potential sites, and have it operational by the mid-1990s.

Mr. Carter is asking Congress for authority to take over next year one of several nuclear sites which are now closed down to help commercial reactors with their growing storage problem. The country's 70 operating power reactors are piling up more waste than they can house on site.

Two possible sites for this new storage facility are former reprocessing plants in South Carolina and Illinois, which Mr. Carter shut down at the start of his term as an example to the rest of the world that the U.S. seriously believed reprocessing posed a weapons proliferation problem.

Nuclear waste disposal is an issue that has plagued the U.S. nuclear industry for several years, although the Three Mile Island reactor accident in March 1979 raised in an acute form the issue also of reactor safety.

Mr. Carter also announced yesterday the cancellation of a research programme to bury military nuclear waste in a New Mexico salt mine, but said the site would remain a candidate for the permanent burial ground.

Alternative budget from Kennedy

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

SENATOR Edward Kennedy of Massachusetts has produced an alternative budget to that offered last month by President Jimmy Carter's Administration. Mr. Kennedy's proposals advocate higher spending on social programmes to be offset by the termination of certain tax breaks and a somewhat lower expenditure on defence.

Mr. Kennedy's document is his third detailed economic exposition in recent weeks. It is designed to meet criticism that he had previously not been specific enough in his economic pronouncements and also to establish his credentials as a progressive candidate.

The core of Mr. Kennedy's package is a $5bn a year public service jobs programme to deal with anticipated higher unemployment. He argues that the cost of this would be halved because the Government would have to make lower payments than otherwise for unemployment benefits and welfare.

Mr. Kennedy also proposed an additional $2bn for social programmes dealing with housing, health, mass transit and the like.

The offsetting factors include ending the oil depletion allowance which would save the Government $3bn, ending the tax break for drilling exploratory oil wells, saving another $1.9bn, a further $1bn saved through closing tax loopholes, and a net saving of just under $1bn on defence (achieved by adding $500m to outlays on conventional weapons but cutting $500m from the MX mobile missile programme and saving $900m by halting construction of the planned nuclear cruiser.

The net result would be to leave the federal budget in deficit by a similar amount to the $16bn proposed in Mr. Carter's budget.

But Mr. Kennedy made it clear that he considered the President's budget "a harsh and insensitive document that defies the great historic traditions of the Democratic Party, and promises only more hardship for the poor, the sick, the cities and, above all, for the unemployed."

Teachers go back to work in Chicago

By Maralyn Edid in Chicago

CHICAGO'S public school teachers returned to work this week after agreement on school board spending cuts ended a two-week stoppage.

The accord restores 504 of the 2,240 jobs held by teachers' union members that had been eliminated as part of the $875m plan to save the Chicago schools from bankruptcy. The school board is obliged to trim $60m from the $1.4bn budget this year, and another $106m for the 1981 school year. The city's 26,000 teachers went on strike on February 4 to protest against the job cuts.

Sarita Kendall in Quito reports on President Roldos' problems

Violence dents Ecuador's optimism

THE resignation last week of Sr. Roberto Dunn Barreiro, Ecuador's Interior Minister, has robbed President Jaime Roldós of a key ally as his troubles mount.

Mass demonstrations against the cost of living have degenerated into street violence on several occasions in recent weeks. Sr. Dunn, who was charged with implementing many of the reforms planned by Ecuador's first constitutional regime since 1970, was forced to resign after two of the demonstrators were shot dead by police.

The former minister had also tried unsuccessfully to heal the breach between Sr. Roldós and Sr. Assad Bucaram, head of the populist party that took the President to power.

Sr. Roldós was elected last April with over 60 per cent of the vote after seven years of military rule. He took office in August amid high expectations, a dangerous start when combined with a series of severe droughts and heavy dependence on dwindling oil reserves.

Deprived of the presidential candidacy by his Lebanese parentage, Sr. Bucaram has ruled absolutely in Congress. He has sent a number of inflationary and economically embarrassing projects for executive decision. Although the President's personal popularity has not suffered as a result of his vetoes, relations with Congress have, and the country's leadership has often given the impression of a beast with two heads attacking each other rather than the nation's problems.

President Roldós: "I fought in the streets as a student and a political leader—but against dictatorships."

The President did, however, approve a congressional decree doubling the urban minimum wage to $160 a month—a "popular" government could not do otherwise. But this has brought serious problems in its wake.

Speculators began to raise the prices of staple goods even before the new minimum wages were in force, and the threat of petrol price increases helped to send the temperature up.

At the worst moments of the ensuing protests, the presidential palace was practically under siege, with barricades and fires closing the streets of Quito the night after a schoolboy was shot dead by police.

The military, through the Minister of Defence, has reiterated its confidence in Sr. Roldos. Government accusations of conspiracy have been aimed at political groups, such as the Maoist Popular Democratic Movement and, on the Right, the son of Ecuador's banana-exporting king. The police have come under heavy pressure, partly for their actions in quelling the unrest, but also because of corruption scandals in which senior officers have been arrested.

Amid accusations of repression from one side and inaction from the other, the Government is launching its five-year national plan.

One of the plan's basic objectives is to improve income distribution among Ecuador's 7.5m people, and reverse the tendency towards income concentration, strengthened during the oil boom years of the 1970s.

The plan outlines strategic projects requiring an investment of $15bn, of which 34 per cent is to go to social programmes, 32 per cent for energy and 16 per cent for rural development.

Economic growth over the next five years is forecast at 6.5 per cent, a little higher than last year's rate, and a major export drive is planned to keep foreign earnings up as the volume of oil exports drops.

To reassure the private sector, the Government has promised that state ownership will be limited to such industries as petrochemicals and steel, and has warned that a congressional plan to take over pharmaceuticals will probably be vetoed.

But industry will play a smaller part than agriculture and energy, which are to receive top priority. Vice-President Osvaldo Hurtado, in charge of drawing up the plan, says incentives will go to producers of basic necessities.

Comments from all sectors have been invited, and political parties, trade unions and chambers of commerce have begun to discuss the plan.

In opening this debate, the government clearly hopes to gain support for its long term policies, even if unpopular short term decisions, such as raising the price of petrol, must be faced now. Apart from determining the economy's future course, the idea is to involve as much of the population as posible in the formation of a new democracy.

Nayan Chanda in Bangkok and **David Dodwell** in London assess the significance of Vietnam's leadership changes

Hanoi decides to sweep aside its tired old revolutionaries

THE CHANGES in the Vietnamese leadership, which coincided with the 50th anniversary of the founding of the Vietnamese Communist Party, celebrated last week, are officially intended to mark a new stage in the country's revolution.

The clear aim is to sweep aside a number of tired old revolutionaries and to revitalise the Government with younger technocrats and professionals.

The new leaders will be expected to revamp Vietnam's ailing economy, which is suffering from industrial stagnation, agricultural failure, a population explosion and galloping inflation. The heavy burden of military spending can be expected to grow rather than diminish in the near future.

The most publicised change in the Vietnamese leadership is the replacement of the legendary General Vo Nguyan Giap as Minister of Defence, though prevailing opinion in the West is that this change is more apparent than real.

General Giap has for some time been attending to broader policy issues, and is tipped by diplomats from Eastern bloc countries to be appointed Premier in the near future.

His successor as Defence Minister, General Vao Tien Dung, commanded the 1975 Communist campaign to capture South Vietnam, and has been responsible for military operations in Kampuchea since the invasion in January last year.

Nguyen Co Thach, regarded as a brilliant and urbane diplomat, has been appointed Foreign Minister, replacing the old and ailing Nguyen Duy Trinh.

Eastern bloc diplomats claim that Tran Quoc Hoan, the Interior Minister, has been removed because of his failure to curb pro-Peking elements in the party, and for failing to prevent the defection to China of Huang Van Huan, a former Politburo member.

Also dismissed were the chairman and vice chairman of the State Planning Commission, the Minister of Foreign Trade and ministers responsible for transport and communication. Their removal was a clear vote of no-confidence by the Party leadership in their handling of the economy.

But the changes have broader implications. The tightly-knit team that has led the Vietnamese Communist Party and ruled Communist Vietnam for the better part of 30 years is now feeling its age. For this reason Le Duan, Secretary General of the Party since 1956, has announced that change—promotions and demotions—must now be regarded as a "normal activity."

The reshuffle also acknowledges changing circumstances.

For men whose whole political experience has been that of fighting wars, the adjustment needed to tackle the more mundane problems associated with running an economy have often been difficult. Military preparedness remains a first priority—Vietnam still has over 1m men under arms in Kampuchea and at home facing the Chinese. But economic problems are assuming a growing importance.

Vietnam's accession to membership of Comecon in July 1978 has been accepted only reluctantly by the Eastern bloc of countries. They have pressed Vietnam's leaders to bring Vietnam's economic policies into line with their own in the third economic plan starting in 1981. Soviet aid to Vietnam is estimated at $2.5m a day, a flow which cannot be expected to continue indefinitely.

The economy has been dogged by four consecutive disastrous harvests, all the result of drought or flood. Rationing is widespread as a result, and low productivity is often attributed to the fact that the country's underfed workers are tired and incapable of heavy work.

Some economic problems are self inflicted. The systematic persecution of ethnic Chinese, accompanied by expulsion of many of them, has cost the country dear in terms of expertise. This has hit the ports, the mining industry, and the fishing industry particularly hard.

The ministerial changes in Hanoi follow some drastic economic shifts taken last autumn. To help end its food shortage problems, the Government liberalised cultivation on private plots and private raising of livestocks and lifted obstacles to private trade. It also allowed limited private use of co-operative land.

After years attempting to curb private industrial production, business laws were relaxed to encourage higher production. Recent visitors to Vietnam report that despite low productivity and shortages, prices of agricultural products which were earlier prevented from coming to town have fallen. There is also a resurgence of private stalls in Hanoi and in Ho Chi Minh city.

But peasants, especially in the south, are still suspicious of the Government's intention about the use of their surplus produce.

By far the biggest single drain on the economy has been massive military spending, and the damage inflicted by the Chinese during their invasion of the north in February 1979. Industry is still on a war footing, and manufacturing for export or domestic consumption suffers dearly as a result.

Last week's leadership changes imply that military priorities are unchanged. Vietnam is likely to maintain a tight grip on Kampuchea and Laos, and will maintain war readiness along its northern border with China since Chinese "hegemonism" is still seen as the single greatest threat to the state.

Export target: Another 500,000 population

BY DAVID TONGE

VIETNAM'S continuing desire to purge its population is still being brought home to its neighbours, despite a reduction in the flow of boat people over the last six months compared with the period before the Geneva conference at which the issue was discussed last July.

In Hong Kong there has been renewed activity by the money merchants who send funds to Vietnam to pay for refugees' passages. Some of the 421 boat people who made their way to Hong Kong in December told how low-level Viatnamese officials had been accepting bribes to turn a blind eye

Vietnam has been telling recent visitors that they wish to send out over 500,000 people. "The Vietnamese have always been candid and always been saying this," comments Mr. Dale de Hahn, Deputy Commissioner at the United Nations High Commission for Refugees. But the West is disturbed that Vietnam is dissatisfied with the rate at which refugees have been leaving under the scheme agreed with the High Commission last May.

Under this seven-point scheme for "orderly departure," Vietnam and countries willing to accept refugees were to try to match separate lists of those who would be accepted as refugees either for family or humanitarian reasons.

Vietnam spoke of about 10,000 persons leaving under this scheme each month. In practice only about 1,200 had left by mid-January, even if the rate has since increased slightly.

The drop in actual boat people has been striking. In the second quarter of last year 128,000 boat people arrived in Hong Kong, Indonesia, Malaysia, the Philippines and Thailand. In the third quarter the number fell to just under 27,000. In the last quarter it was down below 6,300, and in January this year the number was 2,600.

Many of these fled to overcrowded Hong Kong, which is already coping with streams of illegal immigrants from China. Thailand, however, is worse affected. More than 25,000 boat people had arrived there by the end of last year. But this number is dwarfed by that of the Laotians fleeing from the Vietnamese-backed Government in Vientiane—in recent years 263,000 Laotian refugees have been recorded by the UN. Such figures are in turn dwarfed by the numbers of refugees fleeing to Thailand from Kampuchea.

On November 1 the Thai Government appealed for help in caring for 300,000 refugees from Kampuchea. Western Governments estimate that even greater numbers are involved.

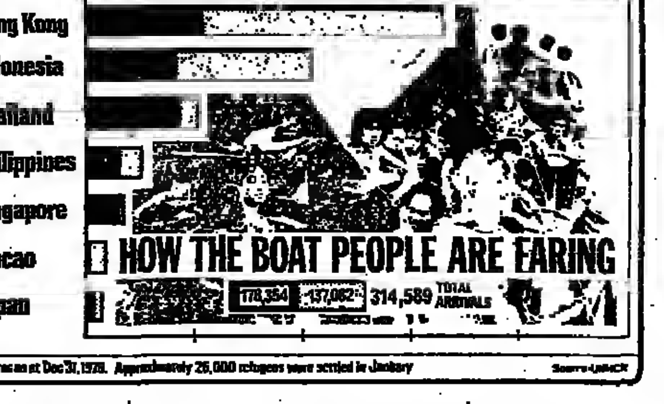
A total of 314,589 boat people were recorded by the UN as arriving in "countries of first asylum" by the end of last year. Homes have been found for nearly two-thirds, with the U.S., Canada and Australia taking the majority.

France, the former colonial power in the area, has taken relatively few. Britain, which took the lead in calling for last July's Geneva conference, had accepted 5,685 refugees by the end of last year.

How long the present "moratorium" on the exodus of people will continue is unclear. Vietnam originally wanted it to be only for six months from last July. But it was talked out of this and at Geneva, the Vietnamese agreed that for a "reasonable period of time" it would make an effort to stop "illegal departures."

For the West it is a matter of keeping the traffic of people to a minimum. Vietnam would like to interpret the category "humanitarian reasons" as a catch-all which would allow it to dispose of potential fifth columnists—the ethnic Chinese who might co-operate with Peking and those Vietnamese who cannot fit into the new socialist state.

Despite recent alarms, the task of reconciling these opposing approaches does not seem to have been faced yet. Some Western Governments, in particular in Scandinavia, argue that the more Vietnam is ostracised the less likely it is to wish to adopt the *modes* of the world community.



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New status planned for state haulier

BY LYNTON McLAIN

THE STATE-OWNED National Freight Corporation, which the Government wants to denationalise, is expected to be set up as a limited company under the Companes' Act in the autumn.

This wnuld be the first step towards a sale of ahares in the corporation — Britain's largest road haulage operator—which has an annual turnover of over £400m.

It wnuld also be a step towards creating a stock markat sectnr in road haulage where none now exists. The re-formed corporation would have to compete for shareholders' funds, particularly with the privately owned Transport Development Group, wbich has an annual turnover of over £200m and similar operating profits, at £20.9m, to the corporation.

Proposals to enable the Government to transfer the corporation to a company are in the Transport Bill, now being heard in committee in the Commons.

The committee stage is expected to be completed by March 7, and the Bill is likely to become law well before the end of the parliamentary session in October.

Mr. Norman Fowler, Transport Minister, is expected to use his powers under the new legislation to turn the corporation into a company.

At that stage, all the shares would be held by the Government, but its final proposals call for most of these shares to be sold to private Investors.

No share sale is expected before Christmas, but provided the stock market is huoyant and the corporation's results for this year are satisfactory—as judged by Mr. Fowler and the board — the Government is expected to sell a high proportion of the shares early in the new year.

The corporation is discussing with unions and staff a firm proposal to move its headquarters from Argosy House, central London, to Bedford.

The corporation said yesterday that the move was unconnected with the proposed sale of shares and had been under consideration for over two years. It wants to take advantage of cbeaper office rents outside the capital.

It also wants to bring together the headquarters staff of four major subsidiaries — National Carriers, British Road Services, Roadline and the Special Traffics group. These are all in London or its suburba.

● Parcels distribution by Roadline UK, part of the corporation, is to be re-organised under a £1m investment programme, because of a declining parcels market and increased competition from the private sector.

Mr. Iain Macnab, Scottish director of Roadline UK, said £100,000 of mechanical handling and sorting equipment, and a 24-hour express delivery service for the region would be introduced this year.

The developmeots were planned before last winter's road haulage strike. Roadlioe is thought to be one of several parts of the corporation likely to show a loss when results are published in spring.

Building societies' receipts 'less than half sum needed'

BY ANDREW TAYLOR

BUILDING SOCIETY oet receipts last month were £235m, still less than half the figure the societies say they need to meet mortgage demand fully.

The January total compares with net receipts of £161m in December and £134m in November. The figure was lower than hoped for earlier in the month. At one stage net receipts near £300m were expected in January.

Mr. Norman Griggs, secretary-general of the Building Societies Association said the improvement was no more tban modest, "especially taking into account that January is usually a good month." In a normal year net receipts in January would be at least £100m bigber than in December.

During the month £1.75bn was deposited in building societies. Withdrawals were bigh, totalling £1.52bn.

Lower net receipts are expected this month than in January, reflecting normal seasonal movements and increased competition for funds.

It has been estimated that in the next few months new National Savings Certificates issued this month could attract up to £300m of funds normally available to societies. But some society managers said the initial impact of the new savings certificate was less than might have beeo expected.

The societies say they need net receipts of about £500m a month, on top of repayments of interest and capital by borrowers, to fully satisfy the demand for mortgages.

In January £630m was lent to bome-buyers, and £644m promised to mortgage applicants. Mr. Griggs said this compared with average monthly lending of £740m in 1979.

The societies have said any fall in minimum lending rate was unlikely to be matched by a comparable decrease in mortgage rates. Society interest rates were more likely to reduce at a slower pace when a general fall in ioterest rates occurred.

Last month £352m interest was credited to investors' accounts. Borrowers repaid £255m of mortgage debts.

In January societies make the bulk of their annual tax payments. This accounted for the decline in liquid assets, from £8.24bn to £7.9bn.

The liquidity ratio unadjusted fell from 18 per cent at the eod of December to 17.3 per cent. A further decline, reflecting high tax payments, can be expected in February.

BNOC appointments are first step in reorganisation

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT has made several key appointments to the board of British National Oil Corporation as the first step to reorganising the State undertaking.

Mr. David Howell, the Energy Secretary, who is considering a plan to inject private capital into BNOC, has named five new board members.

Two will be full-time: Mr. Alastair Morton, a managing director of tbe corporation, and Mr. Malcolm Ford, deputy managing director of Sbell UK Exploration and Productioo since 1978.

Finance

Mr. Morton, 42, will have executive responsibilities for finance, trading, personnel and legal matters.

Mr. Ford, 54, will be in charge of exploration, production and construction.

Mr. Ian Clark, a full-time director, will have executive responsibilities for offshore joint venture operations where BNOC is not the lead company in offsbore consortia.

Tbe appointments iodicate that Mr. Morton, a part-time member of the British Steel Corporation, will have a key role in the oil-trading arm of BNOC.

This business is expected to be separated from other corporation activities and kept solely under State cootrol. It is not clear whether Mr. Morton will retain responsibilities for personnel, legal and financial matters in the new set-up.

Mr. Ford, with Shell for 28 years, and Mr. Clark seem destined to be among tbe leaders of the oil exploration and production company.

Private sbarebolding is expected to be invited into this undertaking. A sale of shares could raise between £500m and £1bn for the Exchequer, though the "privatisation" operation is not expected to be attempted in one step.

The Government has indicated tbat it wants to spread BNOC shares widely among a large number of small investors.

With this in mind, the sale of BNOC shares could be undertaken in stages.

Tbe three new part-time board members will be Mr. Lawrence Tindale, 58, joint deputy cbairman of Finance for Industry since 1974. Previously he was with the Industrial and Commercial Finance Corporation as assistant general manager and later as director and general manager.

Mr. Jack Lofthouse, 60, a director of Imperial Cbemical Industries for the past oine years. He was with ICI for over 40 years, and was a member of the Northern Economic Advisory Council.

Mr. Alcon Copisarow, 59, a director and vice-president of McKinsey and Co. from 1966 to 1976. Since 1974 he has been a General Commissioner of Income Tax. Mr. Copisarow is a member of tbe Press Council and a trustee of the Duke of Edinburgh's Award Scheme.

The board

BNOC's board now consists of Mr. Ronald Utiger, acting chairman and chief executive; Lord Croham, the deputy cbairman; three full-time members and nine part-time members.

It was not clear last night whether the chairmen and chief executives of the divided oil corporation would be taken from the present list of executives or whether Mr. Howell bas still to make further appointments.

Mr. Utiger, who is chairman of British Aluminium, has made clear that he regards his BNOC positions as temporary while the corporation is revamped.

Lloyd's broker sued by Sasse Turnbull

BY JOHN MOORE

SASSE TURNBULL, the managing company of the troubled Lloyd's underwriting syndicate which is facing insurance losses of £20.2m, is suing Brentnall Beard International, the Lloyd's broker, and Brentnall Beard Limited.

Brentnall Beard said yesterday that it intended to defend its positioo vigorously.

Sasse Turnbull's action — served as a third party notice on the companies—comes in a week during which it has sued Lloyd's of London, also through a third party notice.

Sasse Turnbull's moves follow unprecedeoted legal action by 36 members of the syndicate, which have sued Lloyd's and a number of underwriting agents, including Sasse Turnbull.

In its action against Brentnall Beard International and Breotnall Beard Limited, Insuronce hrokers to the Sasse syndicate number 762 which is facing the losses, Sasse Turnbull alleges that the brokers were in breach of duty. Sasse Turbull claims that:

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● Brentnall Beard never disclosed to Sasse Turbull that insurance business written through a U.S. binding authority—a device whereby outsiders can prodnce Insurance business oo behalf of Lloyd's syndicates—was largely an "extremely dubious block of business" which had cost the Argonaut Insurance Company in the U.S. large losses and which was uninsurable by reputable insurers save under a special state insurance scheme.

The brokers, it is claimed, failed to disclose that it was planned to underwrite the business by undercutting the state insurance scheme.

● Busioess was underwritten in the U.S. altbough the coverholders acting for the syndicate did not have proper authority and had not been approved under Lloyd's market procednres.

● The hrokers failed to inform Sasse Turnbull accurately of the amount of premium income which wonld be generated under a binding authority operated by a company called Deo-Har, "despite yonr knowledge that the amount of business being generated would cause the premium limits of syndicate 762 to he exceeded."

● It is claimed that the profitability, premium income and tbe nature of the business were misrepresented to Sasse Turnbull.

Failure

On insurance business prodnced through a Canadian binding authority, Sasse Turnbull alleges that:

● The brokers failed to make portfolio transfers in respect of a Canadian binder in 1974 and subsequent years.

● In 1975 and 1976 the brokers failed to sign some, and in 1977 any, premiums and/or claims through the Lloyd's Policy Signing Office.

● The brokers misled Sasse Turnhull as to the amount of premium Income which would he generated and which later led to the syndicate's premium limits heing exceeded.

● Business was conducted through the Canadian binder although the persons conducting the business bad no proper authority.

Better living for most of Britain

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

DIFFERENCES in tbe standard of living between the less-affluent parts of Britain and those better off narrowed in the early 'seventies but there is some evidence that this may bave reversed as the decade ended.

The 1980 edition of Regional Statistics, published by the Central Statistical Office today, shows that incomes in Scotland, Northern Ireland, Wales, the South West of England and East Anglia tended to get nearer the national average, spending patterns around the country became more alike and unemployment differences were reduced.

Although the figures relate to the yaars 1971 to 1977 they lend substance to the belief that successive governments' aid policies had a considerable effect on regional Britain.

Gross domestic product in Scotland, the North and Yorkshire and Humberside grew faster than the UK average. The first two were major beneficiaries of regional aid.

By contrast, the ricbest two regions, the South East and the West Midlands, fell back. However, GDP in Greater London was still almost a third above the UK average in 1977.

Tbe statistics indicate a Britain that, in material goods anyway, is enjoying higher standards. Between 1969-70 and 1977-78 the percentage of homes with central beating doubled almost doubled. Seven bomes in and the number with phones every ten had a phone in 1978 and 57 per cent had at least one car—the beaviest concentrations being in the South West and East Anglia.

Three homes in four had a wasbing machine, nine out of ten a fridge and almost everyone a television set. Only four people in every 100 did not have television while in the North only two in a hundred are without. Two out of every three sets last year received colour.

In the North almost half the beads of bouseholds in the region were manual workers. However, tbeir wage levels were bigher than in any otber part of Britain with the exception of the Sonth East.

Regional Statistics 15. SO: £11.75.

£11,000 paid for Venetian 16th-century plate

SALEROOM

BY ANTONY THORNCROFT

A VENETIAN diamond-engraved latticinio plate of the late 16th century sold for £11,000 (plus the 11.5 per cent buyer's premium and VAT) at Christie's yesterday. Only four similar plates are recorded, two of which are in the British Museum. The plate was sent for sale by the Earl of Clanwilliam and bought by Heide Hubner, the German dealer.

Hubner also paid £5,800 for a Nuremberg-engraved goblet and cover of abont 1680 while Dreesman, a Dutch dealer, acquired a stipple-engraved goblet of about 1780 for £2,900. A facon-de-venise latticinin bowl of around 1600 went to H. Phillips, the London dealer, for £2,200. Manchester City Art Gallery paid £420 for an A. J. F. Christy (Lambeth) oviform vase, designed by Richard Redgrave in 1847.

UK NEWS — LABOUR

Export of scrap escapes restriction

By Roy Hodson

THE GOVERNMENT is expected to allow steel scrap to continue to be exported freely at least until the middle of 1980 to lessen the impact of the steel strike upon the £1bn-a-year reclamation trade.

Restrictions upon scrap steel exports were removed for an experimental six-month period last September. Since then the scrap industry has increased its exports by 60 per cent to 1.6m tonnes a year, worth some £80m a year in foreign exchange.

Exports have been keeping the scrap industry in business in recent weeks, Mr. Tony Bird, president of the British Scrap Federation, said yesterday.

Some companies in the industry have had to lay off workers because of the impact of the steel strike. But most companies are keeping going with the help of export business, sales to foundries and sales to those private-sector steel companies still producing.

British Steel has bought virtually no scrap since last November.

Scrap companies have been pressing the Government to accept that the steel strike could cripple their business if export restrictions were to be reimposed during or after the strike.

Exports in 1979 were the highest in value in the history of the British reclamation industry at £75m compared with £63m in 1978.

The trading of scrap steel inside the EEC, and the trading of Community scrap with other nations, may shortly be put on a more formal basis. The plan for restructuring the Community steel industry currently being pursued by Viscount Etienne Davignon, the European Industrial commissioner, calls for a new EEC scrap trading policy.

Nick Garnett reports from Sheffield

Steelmen braced for strike through spring

STEELMEN ON the South Yorkshire picket lines are now bracing themselves for the possibility of a strike stretching through the spring.

Although most Iron and Steel Trades Confederation officials and shop stewards in the area still believe on balance the dispute will end within the next three weeks, they also accept that the strike could be less than halfway through.

Steelworkers are suffering real hardships—both of mind and pocket. The average man has so far lost £600 in earnings and many are now delving into savings to support their families.

The stoppage has slipped into a kind of no-man's-land, as bleak and quiet as the narrow strip between Sheffield and Rotherham dominated by steelworks, as busy as a provincial city centre on a Sunday afternoon.

Even some active pickets are operating only a six-hour shift every two or three days, or, for some, a four-hour shift every week.

The time spent at home has had a debilitating effect. "I've been going to sleep in the early evenings, it's so boring," one picket complained. "It simply gets you down."

Insult

A reflection of these difficulties was the strikers' response to the rapid collapse of negotiations last week. Pickets said the debacle was an enormous disappointment.

However, in spite of these problems, pickets appeared to be unanimous yesterday that there has been no real erosion of resolve. The memory of the original 2 per cent offer—regarded by the strikers as an insult—rancours more now than it did then.

The feeling of being singled out by the Government is as strong now as at the beginning of the strike and has been compounded by recent pay settlements and offers in the public sector.

"What productivity and profits have the police and the dustmen?" one striker said. "Yet it's only us they say are scroungers. The Government thought we were a soft touch and have gone out to get us."

Mr. Joe Pickles, ISTC divisional officer, said any return to work in the private sector would not affect the determination of BSC strikers.

Pickets said yesterday most strikers had adjusted to new financial circumstances and this was a symptom of the way they had dug in.

These factors are helping to sustain the strike and appear to be tightening the resolve to achieve a settlement higher than they would have been prepared to accept a few weeks ago.

Strikers said hardship was also making steel men more resistant to the idea of negotiating productivity improvements. Many said these were the real "bogeymen" in the corporation's various proposals.

Picket after picket said the offer made to the general and craft unions would have prevented a strike if it had been made to the ISTC before the dispute started. Now, however, it was simply not enough.

There are differing opinions as to what would be acceptable to ISTC members. A number of pickets and strike committee members said a 14 or 15 per cent offer without strings would be seen as a major and acceptable victory rather than the 20 per cent hoisted as a target by some strikers.

Mr. Pickles said if craft and general unions accept what the ISTC sees as a low offer attached to productivity improvements, that could affect the ISTC's resolve to fight the dispute.

Dockers' talks resume

PAY TALKS between the dockers' union and the London enclosed docks employers resume today, although both sides are pessimistic over the extent of the differences in their bargaining positions.

Yesterday, work at the upper docks was at a standstill because of the strike by the National Amalgamated Stevedores' and Dockers' Union. Six ships were affected in the Royal, India and Millwall docks but three ships were handled at Tilbury.

The NASDU called out more than 1,000 dockers on Monday, and some 3,000 members of the Transport and General Workers' Union have refused to cross picket lines. Dockers handling container traffic at Tilbury turned up for work normally.

Mr. Les Newman, general secretary of NASDU, said last night that the strike was entirely over money. Dockers' pay had slipped down the league table with hundreds of London dockers taking home £61 a week.

The employers, dominated by the Port of London Authority, have placed a ceiling of 12 per cent on a new pay offer but NASDU has asked for about a 30 per cent increase and the TGWU about 40 per cent.

Miners unmoved by coking coal pact

By Robin Reeves, Welsh Correspondent

SOUTH WALES miners' leaders are unimpressed by this week's agreement between the National Coal Board and the British Steel Corporation to stem the increase in coking coal imports.

Following a meeting of the local executive, Mr. Emlyn Williams, the South Wales miners' president said the deal—under which BSC has agreed not to expand its imports of coking coal this year—does not change the situation one iota.

The Welsh miners are spearheading demands at both the Wales TUC and British TUC level for an all-out strike in March in the coal, steel and related transport industries against the threatened closures and mass redundancies in these industries.

Mr. Williams said the agreement accentuated the threat of job losses in the coal industry. It covered only the current year. The £22m subsidy the NCB was using to achieve a competitive coking coal price, against imports, had come from investment funds earmarked to improve the efficiency of the industry.

The miners will meet steelworkers from Port Talbot and Llanwern later this week to discuss co-ordinating the fight against BSC's planned rundown of both works—a move which also threatens Welsh pit closures and redundancies.

Meanwhile, the Newport steel strike committee covering Llanwern and a number of other BSC plants in South East Wales, has decided to urge the Iron and Steel Confederation's central strike committee to withdraw safety cover at all corporation plants.

Four boilermen at the Whitehead works, Newport, have already been withdrawn. Local managers are keeping the boilers stoked.

Shotton closure confirmed

BRITISH STEEL Corporation confirmed yesterday that steelmaking would not be resumed at Shotton, North Wales, after the strike.

Production was due to stop at the end of the month, anyway, but BSC says that the stage has been reached when it would not be practicable to re-start, even if the strike was resolved quickly.

Steel has been made at Shotton for 78 years. More than 7,000 jobs will be lost there with closure of steelmaking.

Just over 3,000 will remain to work the highly specialised steel-finishing section.

Scheme to help workers set up in business

REDUNDANT steel workers are to be given the chance to start up their own businesses with the help of a free advice scheme launched yesterday.

A consultancy unit, Job Ownership, subsidised by the British Steel Corporation's Corby works group, has set up an office in the Northants town to give advice on starting small businesses and workers' co-operatives.

The scheme has been launched following a report by Corby Development Corporation and the BSC's Tubes division. Steel workers will be encouraged to use redundancy payments to work for themselves.

Water Council holds urgent talks to avert strike

BY PHILIP BASSETT, LABOUR STAFF

WATER authority employers responded quickly yesterday to the threat of a national strike in the industry from February 25, involving the majority of its manual workers, by agreeing to hold urgent talks on pay.

The National Water Council's agreement to hold new talks follows the unexpected rejection of a 19.2 per cent pay offer by delegates from the General and Municipal Workers' Union against the recommendation of union officials. The union represents more than 20,000 workers in the water supply and sewerage industry.

No date was set yesterday for the resumed talks, although their urgency was stressed. They will not involve the full negotiating body for the industry, but will be conducted by the secretaries and chairmen of both sides.

The agreement follows a series of telephone contacts yesterday between Mr. Eddie Newall, GMWU national officer for the industry and leading union negotiator, and Mr. Jimmy Dickens, the acting employers' side secretary.

Mr. Newall said yesterday he hoped the renewed talks would take place as soon as possible.

The union also acted quickly yesterday in an attempt to forestall any unofficial action before the due date set by the delegates' conference.

Telex messages to all nine water regions were sent out by the union yesterday following Mr. Newall's report of Monday's rejection to Mr. David Basnett, GMWU general secretary.

In addition to laying out details of the strike resolution, the messages stated: "In the meantime, our members should be advised that no industrial action should be taken without executive authority."

Mr. Basnett has agreed to call a special meeting of the appropriate sub-committee of the union's executive to discuss the

Print workers offered 14.6% basic increase

PRINTING INDUSTRY employers yesterday offered a 14.6 per cent increase on basic pay to 180,000 workers but demanded an end to demarcation and a change in recruitment policies.

The British Printing Industries Federation and the Newspaper Society made the offer to NGA, NATSOPA and SOGAT negotiators. It covers the entire printing industry apart from Fleet Street.

The federation said last night that the offer would bring minimum earnings up to £70 a week, a £7.79 increase. There would be additional increases for higher grades, and shift payments. Average earnings in the industry outside Fleet Street are estimated to be £105 a week.

A settlement is due on April 24 and fresh talks will be held between both sides next week.

The union claims an increase on basic rates of £17.75 a week and reduction in the working week from 40 hours to 37½ hours. Employers said last night that the reduction was negotiable.

NATSOPA yesterday moved to reduce differentials between provincial and Fleet Street pay rates.

Cut in staff at Meccano accepted

By Gareth Griffiths, Labour Staff

UNION NEGOTIATORS at the Meccano plant in Liverpool indicated yesterday that they are prepared for a drastic slimming-down of the workforce to keep their factory open

The joint union/management working party met yesterday and will produce a study of the factory by next week. It will be helped by national union officers and an accountant from Merseyside County Council.

Mr. Mike Egan, Liverpool district officer of the General and Municipal Workers' Union, said the unions would agree to a reduction of the Meccano workforce to about 200. A proposal for a workers' co-operative backed by private money was also being considered.

About 450 of the 930 workers at the factory have already accepted redundancy payments from Airfix Industries, although the occupation of the plant will continue until the end of the month.

'Threat to 400,000 jobs'

BY OUR LABOUR STAFF

THE TUC warned yesterday that 400,000 jobs could disappear this year—half of them in the private sector—as a result of the Government's programme of public expenditure cuts.

Launching a pamphlet on the cuts which the TUC said clearly demonstrated the devastating impact of the Government's economic policies, Mr. Len Murray, TUC general secretary, said the Government's claim that by cutting public spending it was helping the rest of the economy to grow was the opposite of the truth.

Though the immediate impact of the cuts would be on the public sector, in local and central government, in the nationalised industries and in the Health Service, Mr. Murray said, the cuts would mean fewer purchases from private sector firms which would in turn mean greater unemployment

TUC plan to train officials and stewards

By Michael Dixon, Education Correspondent

THE TUC is to set up a £1m national educational centre to provide extra courses for trade union officers and shop stewards. Although no site has yet been chosen, the centre is intended to have 100 residential places.

Loans are being sought from unions to finance the development. Mr. Clive Jenkins, the TUC education committee chairman, said in London yesterday that his union — the Association of Scientific, Technical and Managerial Staffs — had agreed to lend £250,000 over 10 years at 12 per cent interest.

Among the topics on which courses are scheduled are industrial law and handling press, radio and television.

Strike pay 'kept secret'

THE Amalgamated Union of Engineering Workers told five strikers on supplementary benefit to keep their strike pay secret, a court heard yesterday.

The AUEW "negligently and criminally advised the men," Mr. James Quirke, defending, told Warley magistrates, West Midlands.

The workers—who were on strike for more than a year—illegally claimed more than £1,200 in supplementary benefits, said Mr. Basil Corcas, prosecuting.

They failed to tell Department of Health and Social Security officials they were receiving up to £20 a week each in strike money, saying they were being handed only £9.

The men, John Henry Adams, storekeeper, of Oldbury; Joseph Priest, bandyman, also of Oldbury; Walter Henry Clift, finisher, of Halesowen; Walter Smith, labourer, of Cradley Heath; and Eric Frank Willingale, a turner, of Halesowen, all admitted three charges of making false declarations to illegally obtain supplementary benefits.

Each was fined a total of £300.

Shipyard men hold crisis talks

PAY TALKS between union leaders of 80,000 men employed in Britain's nationalised shipbuilding and ship repairing yards and British Shipbuilders' chiefs were continuing late last night.

The Confederation of Shipbuilding and Engineering Unions has lodged a claim which British Shipbuilders say is worth 30 per cent and which, if met in full, would give skilled men £110 a week compared to their current minimum of £80. However, the CSEU says the claim is only worth about 20 per cent.

Pro rata increase would apply to other grades, and the unions also want a shorter working week and longer holidays. Any settlement would be backdated to January 1.

Two days have been set aside for the talks, which were adjourned last month at the request of the employers to give them time to study the claim in detail.

Union negotiators entering the British Shipbuilders headquarters in Newcastle yesterday for the start of the talks were lobbied by workers from Wearside shipbuilders, Austin and Pickersgill, urging them not to back down on the full claim.

Mr. John Chalmers, chairman of the shipbuilding negotiating committee of the CSEU, said when the earlier talks were adjourned that British Shipbuilders had described the claim as "exorbitant" and said it would cost them £125m.

The corporation has been told by the Government to keep its losses to within £100m for the year to March 31, 1980, and £90m the following year.

Salvesen Offshore quits drilling market

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SALVESEN OFFSHORE Holdings, the first British company to try to challenge the dominance of the North American drilling companies, has pulled out of the offshore drilling market. The move comes when the offshore market is experiencing its first boom for five years as oil companies urgently search for new sources of oil.

Salvesen Offshore Holdinga was formed in 1974 to acquire a drillship, Dalmahoy, already owned by another Christian Salvesen company, and to acquire a further vessel fnr conversion into a drillship—Dalkeith.

Some 40 per cent of the £10m share capital was put up by Christian Salvesen Ltd., a large private Scottish company. The remaining 60 per cent was subscribed by Finance Corporation for Industry, Nnrth Sea Assets and a wbolly owned subsidiary of Rin Tinto-Zinc.

The original idea was that Salvesen Offshore would acquire a further two drillships which would have resulted io a substantial British operating company. Hnwever, cost increases on the conversion of the second vessel and a deterioration io the market for drillsbips seriously weakened Salvesen's financial position at an early stage.

The shareholders injected additional capital into the company and in 1977 subscribed £1.5m in snbordinated loan stock and provided further losses. The company's bank borrowings were also rearranged but nperations never reached the level of profitability required to satisfy its obligations.

The shareholders decided their commitment to the company could not be increased and sold the Dalmaboy fnr $11.5m (£5m) early last year. This was aimed at ensuring the company bad adequate finance for the foreseeable future.

In its latest annual report, Christian Salvesen says its associated company has taken advantage of the strengthening market for drillships to dispose of the second drillship, the Dalkeith. Salvesen says the sale marks the eod of its involvement in marine offshore drilliog and would enahle it to recover some of its investment from wbat bas, fnr a number uf reasons, turned on to be a disappointing venture.

It is thought that Dalkeith has been bought by Lauritzen, the Danish shipping company, for around $20m. The vessel originally cost $30m.

Over the last 12 months the market for drilling rigs has recovered sharply as the oil companies stepped up exploration in a search for alternative sources of oil.

The daily operating revenues of drillships has risen from around $14,000 per day lo close to $30,000. The value of drillships has also roughly doubled to around $22m.

Buchan Field cost

BY MAURICE SAMUELSON

THE COST of developing the Buchan oilfield in the North Sea is expected to be £50m more than the original budget of £120m by the time production starts later this year.

British Petroleum, the field's manager, blamed this yesterday on the delays in completing its floating production platform, wbich will be towed out to sea on May 31. The platform was converted from a former drilling platform for about £60m, twice the original estimate.

The work, at Stornoway in the Outer Hebrides, was delayed up to nine months by many technical problems and by labour trouble.

Cooversion proved far more complicated than envisaged.

Mr. Ken Jamieson, joint projects manager of BP Develnpment, said that oil prices cushioned the effect of the delays.

Production, first fixed for last September, is expected in August.

BP's partners in the venture are Candel Oil (UK); Gas and Oil Acreage; Lochiel Exploration; Natomas International; St. Joe Minerals; and Charterhall Finance. BP's share is 54.1 per cent.

JAPANESE PORTABLES POSE A CHALLENGE

Hard times for typewriter plants

BY JOHN LLOYD

THE SHAPE of the typewriter market is changing. And the catalysts of change are electronic technology and the Japanese.

The announcement earlier this week by SCM that it intended to lay off 500 of its 1,000 Glasgow plant workers is somewhat misleading as an indicator of the trend. The Glasgow plant manufactures electric golf-ball, or single-element, portables, a market which, as tbe table shows ,is doing well.

The cause of tbe lay-offs was the loss of a contract from Olivetti (from whom SCM bought the plaot over two years ago) which accounted for half of its production. Olivetti wants to get out of the market, but SCM believes it can stay in successfully.

Problem

The problem is not just the flat market, but the strengthening of the pound which has meant that sales in the U.S. are increasingly difficult to achieve. SCM says Olivetti simply could not compete, but says its own greater strength in its U.S. home base, with a more familiar name, should enable it to dn so.

UK TYPEWRITER MARKET

(units sold)

	1977	1978	1979
Heavy duty office machines (electric)	65,7000	95,200	128,000
Compact office machines (electric)	9,500	14,000	20,000
Portables (electric)	13,500	29,000	44,000
Heavy duty office machines (manual)	48,000	54,000	76,000
Large portables (manual)	22,000	20,000	26,000
Small portables (manual)	94,000	109,000	152,000

Source: Trade Estimates.

It is more concerned with the market for manual portables, and with the future of its West Bromwich plant, where these machines are made.

Though the market continues to grow, and is unlikely to suffer unduly from electric or electronic competition in the next few years, Japanese manufacturers are bringing in machines at extremely low prices, and last year achieved an estimated 35 per cent share of the small manual portable market.

The major Japanese braods are Brother and Silver Reed, while OEM, the UK marketing company which handles West German Triumph Adler machines, imnorts portables from Japan and sells under the Imperial label.

Ironically, SCM itself has probably contributed to increasing the pressure in the European market. Tbe company recently won a suit in the U.S. Supreme Court against Japanese manufacturers, who were found to be selling at unfair prices.

Although the judgment is provisional, imports bave been largely balted pending an appeal: the Japanese are likely to turn more concentrated attention to Western Europe, especially to West Germany.

In sales of larger macbines, Olivetti, IBM and Triumph Adler dominate the European market, witb IBM tendiog to set the pace in electronic machines, hut with the other two able to compete successfully across the range.

Manuals are dropping as a share of the market, although cuts in public sector expenditure have meant that the cbange is slower than expected. At the same time, larger organisations are showing interest in electronic typewriters and word-processiog systems, an interest wbich is expected to grow more rapidly in succeediog years.

Thus, while the exchange rate hurts SCM's UK plants, it helps the companies, like Olivetti, IBM and OEM, which import all of their products for the UK market and allows them to remain more competitive with the Japanese than they would otherwise be. They have also, so far, faced little competition from that quarter io large machines, although it is clear that Japanese companies are gearing themselves up for just such an assault.

Segmenting

"The market is segmenting itself quite sharply now," says Mr. Cbris Hedges, SCM's UK marketing director. "People are now able to choose from a wide range of machines, and are going for what suits their particular needs. Tbe trend remains towards electronics, but manual portable will still be a good market if you can keeo the prices down."

For the moment, however, it appears that the difficulties of keeping prices low are large, and that the pressure on SCM's West Bromwich plant, which employs 700 workers, remain intense.

North Sea 'insurance club' plan

BY MARTIN DICKSON

THE OCCIDENTAL North Sea consortium is trying to form a new type nf "insurance club" tn give other operators easier access to the Tharos, a £40m emergency support vessel it has introduced to the North Sea.

The Japanese-built vessel is a semi-submersible with advanced fire-fighting, emergency support, maintenance and diving facilities.

For most of the year it will serve the Occidental consortium's Piper and Claymore fields, which lie close together, but fnr three mnnths it will be available for use at BP's Forties field, about 50 miles away. BP has a 25 per cent stake in the Tharos.

The insurance club would allow other nearby operators emergency use of the Tharos at a rate well below the estimated £140,000 a day it would normally cost third parties. In return club members would pay a proportion of the vessel's operating costs.

Membership would involve signing cross indemnification papers which would relieve the Tharos owners of responsibility for damage caused to a rig nr platform while answering an emergency call.

Mr. Leon Daniel, executive vice president of Occidental's North Sea nperations, said: "If we bave cross indemnity ahead of time it's gning tn make us respond to emergencies mucb quicker."

The Piper field, which began production in late 1976, is estimated to bave reached peak production of about 270,000 barrels a day in 1979 and is producing about 250,000 b/d. Even at an annual 10-15 per cent depletion rate, the field should be producing oil for at least another 16 years.

Smaller companies 'have better growth'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

PROMOTION EFFORT to attract U.S. investment should be directed towards smaller companies, which have a better record of expansion than larger companies, according to a study published yesterday by the Scottish Office.

The authors, Prof. Neil Hood and Mr. Stephen Young, interviewed 20 U.S. companies with subsidiaries in Scotland. They conclude that the smaller companies looked on as "profit centres" by their managements and accounting for 40 per cent of U.S. manufacturing operations in Scotland, had the most rapid growth record in the decade up to 1976.

Those which were part of a large integrated European manufacturing network and regarded as "cost centres" by their managements, tended to perform poorly.

U.S. executives took a generally pessimistic view of the survival of Scottisb plants emplnying 2,000 people or more, says the study.

It recommends that an attempt shonld be made to identify those smaller U.S. companies which are on the verge of expansion and at an early stage in their European strategies.

As the availability nf investment from the U.S. slnws down and competition tn attract plants becomes more intensive, a much more co-ordinated approacb to promntinn is needed, says the study.

European Development Strategies of U.S. companies in Scntland, HMSO. £8.00.

Record £49m revenue from Saab's UK sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE SWEDISH car group subsidiary, Saab (GB), achieved record results last year with revenue of £49m, representing a 44 per cent increase over the previous year.

Of the total, new car sales accounted for £42.2m, up 45 per cent, and Saab parts £5.3m, a 41 per cent rise.

Total new car sales reached 8,976, nearly 29 per cent up on 1979 and the third-highest achieved by Saab in the UK. The previons best sales of around 10,000 and 11,000 in 1972 and 1973 included 5,000 of the considerably cheaper 95/96/V4 models.

Mr. Jnbn Smerdon, managing director, said yesterday: "We feel there is a long way to go before we realise our full potential in this market. Even in tbe current uncertain economic climate we are still aiming for 11,500 aales this year.

"Quite apart frnm the fact that we are less affected than the smaller, high volume makes, we are benefiting in the present circumstances in that owners of larger-engined cars are now looking at our models in an effnrt to rednce fuel costs yet retain a high specification."

Research into reasons for buying foreign cars

A PILOT STUDY into the reasnns why Britons have been increasingly buying foreign cars will be financed by the Social Science Research Council.

Foreign cars account for just under 60 per cent of the UK market, compared with 34 per cent five years ago.

The SSRC has granted £9,800 to Professor Martyn Cordey-Hayes, head of Cranfield Institute of Technology's Centre for Transport Studies, for the study, which will be undertaken in the next 12 months. It is initially confined to Bedfordshire, but may be broadened into a national study if new research techniqnes to be used for it prove successful.

The institute said the researcb will employ a different approach to that usually used in investigating attitudes and beliefs of new-car buyers. Traditionally, owners have heen asked to rate features which researchers have thonght important in influencing choice of car.

But Prof. Cordey-Hayes said: "Clearly there may be a serious discrepancy between what the researcher thinks important—and consequently the way he frames his questionnaire—and what the buyer considers important."

The institute will use a technique known as the "expectancy value model." This relates a purchaser'a beliefs about a car to his overall attitude and to how the attitude affects his behaviour.

For example, a potential buyer may believe that one make of car rusts faster than another. The extent to which such Individual beliefs cluster together to form an overall attitude, and its consequent effect on choice of purchase, forms the core of the research.

Six different types of volume-produced car will be investigated. The study will be concerned only with private buyers.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Fuel cell research project in U.S.

MASSIVE amouots of money are being earmarked in America for research into alternative sources of energy, or more economical methods of using what fuels exist, and in recent months much more interest than hitherto has been shown in fuel cells—the most efficieot converters of chemical energy into electricity.

Latest award for fuel cell development to be disclosed is one of $17m which bas gone to General Electric of the USA for work on tbe molten lithium carbonate electrolyte fuel cell, operating on a mixture of hydrogen and carhon monoxide on the one hand, and the oxygen contained in air on the other.

The schematic released by the compaoy shows the cell with end plates having gas feed/exit tubes, anode and cathode current collectors, and a nickel anode and nickel oxide cathode, arranged on eacb side of what the company describes as the "electrolyte tile" in whicb the lithium carbonate is held in place in a fine-pored structure of lithium aluminate.

But the award does not look only at the fuel cell itself. GE will be required to iotegrate the production of the hydrogen / carhon monoxide mixture by a coal gasification process with tbe successful development aod scaling up of the fuel cell itself.

The basic ides behind this is that the U.S. Department of Energy is seeking at one and the same time to extract much more energy from the coal consumed wbile keeping pollution of the environment down to a minimum. Fume emission is more easily controlled in gasification processes, while the fuel cell itself produces no "fumes" or noise. Typically, efficiencies in coal utilisation of 50 per cent are aimed at compared with 30 to 35 per cent for conventional plant.

However, a power complex built up from molten carbonate fuel cells (MCFC) would look very different from a standard coal-burning power station.

The cells being considered at the moment would bave an output level of about 0.8 volts and produce between 0.3 and 1.3 kW, depending on the size finally cboseo. These cells would be arranged in stacks giving several bundred kW of output at, say, 500 volts. Several stacks would be assembled into a transportable pressure vessel and the whole system would operate at about 650 degrees C.

It is intended, in the present researcb programme, to connect an operating MCFC stack to a coal gasifier. Meanwhile, because all the pressure vessels, or modules, operate at 650° C, the excess heat generated cso be captured to drive steam or gas turbines and thus cootribute to the overall high energy extraction.

If liquid fuels are used as the starting point for the MCFC, then the efficiency goes up still further. However, the present programme is limited to coal.

Where a steam cycle heat recuperation plant is specified, existing coal-fired plaots could be retrofitted with modules to replace boiler sections as these come up for replacement.

Fuels cells can also be sited, at will, close to fuel supplies or to the load.

It seems, at present, that the MCFC has the edge over the other U.S. conteoders — the phosphoric acid cell which operates at 200° C, and the solid nxide cell which is still at the laboratory atage, though even higher conversion factors are claimed for it.

The first phase of the curreot development programme is expected to be completed by the summer of 1982. Depending on the outcome, GE expects that such coal-based fuel cells could ba commercially available in 1986.

Advice on the project is being provided by a panel of seven utilities and the Electric Power Research Institute. Two utilities will provide engineering and planning support. The Institute of Gas Technology will provide aid on the longevity and contamination of the fuel cell itself.

GE (USA) Fuel Cell Project, Energy Systems Programs Department, Suite 500, 80 Wolf Road, Albany, New York 12205, U.S.

Making the most of fuel

STAL-LAVAL, Sweden, has received an order for one of its GT 35 gas turbines from the Dutch company, Stork Boilers.

Tbe turbine will be installed at the Avebe potato-starcb plant at Foxhol, Holland, and includes a waste-heat recovery boiler to generate process steam at 40 bar from tbe energy in the exbaust gases.

Natural gas is the fuel, and tbe waste-beat boiler will be in the exhaust gas stream. Supplementary firing is included and the complete Installation will bave a very good rate of energy utilisstion.

The waste-beat boiler will also be supplied hy Stork.

Stal-Laval, Crnwn House, Morden Road, Surrey, SM4 5DX, 01-543 3476.

● HANDLING

Materials gathered and blended

BARREL-TYPE blender reclaimer equipment being installed in Brazil will be the first of its type to use the exteroal - conveyor design initiated by Babcock-Moxey. The equipment will be used in the handling of iron ore.

Until now, such reclaimers have scooped up material as they advanced aloog a slockpile, and deposited it through holes in the barrel itself to a gatbering conveyor runniog througb the barrel to discharge at either end.

This layout has three disadvantages which the new Babcock-Moxey design sets oul to solve. The beam stiffness of the barrel, whicb may span as much as 40 metres can be reduced by cutting boles in it. These also tend to create points of bigh stress concentration and fatigue cracking can thus develop at the corners of the holes.

The support and drive arrangements are, of necessity, complicated and the enclosure of the gathering conveyor within the barrel makes access for maintenance awkward. Personnel have to enter the barrel itself, and careful and rigorously observed safety procedures and interlocks are essential.

The barrel of the new Babcock-Moxey machine has no weakening cut-outs. The barrel section is designed on patented principles to ensure that material gathered by the scoops is accurately deposited on an external gathering conveyor. The section is essentially 12-sided and can be assembled from flat plate, internally hraced transversely and longitudinally. A maximnm of six scoops can be positioned at alternate apexes of the barrel section, the following apex serving to throw the discharged material clear of the next scoop and on to the gathering conveyor.

The scoops themselvea are double-sided, which enables the machine to be used (with the addition of a second gatbering conveyor) io eilher direction.

The Babcock-Moxey blender-reclaimer is the only British-designed, British-made machine of its type, and shows considerable advantages over machines currently in use the company asserts. It can be used for all types of matcrial in quarries nr ateelworks, handling coal and so on.

In particular, cost will be lower thanks to simple, durable design, and ease of maintenance. Reclaim capacities up to 3,000 tons/hour of high density material are available. All the principal featnres of tbe machine, especially its barrel and scoop configuration, have been extensively rig tested.

● DATA PROCESSING

Easy-to-use equipment

MANY purveyors of so-called personal computers say these machines can be used as small business systems. Adler Business Systems bas looked at the pros and cons of these claims and bas decided to launch, instead, a minimal system that offers simple automated business routines coupled witb robust output equipment tbat can cope with hour after hour of invoice printing, stock situation printouts and so on.

TABS 1100C display and disc computer describes the equipment for which tbe software packages have heen rewritten rather thao—as often is the case—downgraded from more powerful computers.

To be launcbed in Britain next week, the equipment and its software packages can be up and workiog in a week and what is more important from the viewpoint of the small businessman, training takes so little time that everyone in the acconnts department will then be able to use the eqnipment.

The 1100C is menu-driven, with the importsnt difference that menu options are limited and progress is constantly sbown in tbe top right-hand coroer of the display. Thus, tbe unit to some degree provides the best of both worlds in that it offers a choice, while providing operator prompting, and avoids the time otherwise spent in displaying the various menu routines on full screen.

Eqnipment includes a large keyboard with movable display, central processor with 16K core memory which can be expanded to 32K, two floppy discs and a tough matrix needle printer which has been designed specifically to keep noise in an accounting office down to an almost imperceptible level. Nevertheless, it operates at 180 cbaracters per second.

Interesting in the choice of the software pschages—and indeed of tbe system itself—is the provision by Adler of a series of questionnaires that a prospective buyer can consult to determine what are his needs and whether or not the machine and its software routines can solve his particular problems.

The amount of time this can save a busy executive—and for that matter a busy computer salesman—is hard to over-estimate.

● SAFETY

Checks for toxic gases

A PERSONAL badge system for determining the dose of toxic gases such as sulphur dioxide has been developed by Du Pont and is available in the UK frum Sbawcity.

Each of these "Pro-Tec" hadges consists uf plastic shcets bonded together to form several blisters, one of which contains an absorbing solution and the others reagents. When the badge is removed from its sealed envelope for use, a diffuser connected to the absorbing blister starts to absorb gas from the air.

The badge can be worn on the lapel and after a set period, typically a working day, it can be analysed using a read-out unit. The reagent blisters are pressed allowing a weak seal to break and the contents to mix with the absorbing reagent. After 15 minutes a colour change will take place to a degree governed by the amount of gas absorbed.

Insertion of the used badge into the read-out unit gives a reading in pm hours or percentage of threshold level.

Shawcity is at 2 Pinneer Road, Faringdon, Oxfordshire SN7 7BU (0367 21675).

● IN THE OFFICE

High speed addressing of mail

ENVELOPES and the nuter wrappings of parcels can have their destinatiun addresses printed directly on them by Bell and Howell's ink-jet printing machine.

The company says its first machine for doing tbis is being used by Mail Marketing (Bristol). Together with associated equipment it has cosl £26,000 and will print at a speed of 2,200 characters per secnnd.

Ink-jet printing not only cuts out one process—printing nn to labels which are then stuck on envelopes or parcels—bul it also allows upper and lower case types to be used. Type sizo to amphasise tnwn, post code or other important information can be varied.

The equipment is known as the Bell and Howell I/J 96 and it uses a synthesised black ink which replaces the purple organic dye whicb up to now has characterised ink-jet print out, says the company. It is part of a fully integraled system operable from data sources sucb as computer, magnetic tape or floppy disc either from Bell and Howell's uwn list management system or from other existing Installations. Up to elgbt lines of imprint information may be placed and sized to focus attention on important details.

More details can be obtained from the Business Equipment Division of Bell and Howell at 33-35 Wnodthorpe Road, Ashford, Middlesex. (Asbford 51234.)

● INSTRUMENTS

Micro will aid metrology

LATEST RANGE of metrology aystems from Rank Taylor Hobson, to be exhibited at Mach 80 in Birmingham, April 22 to May 2, are backed by micro computer power and offer a wide spectrum of ability for assessing roundness, surface finish and form, to various levels of precision.

The company says that most metrology requirements can be niel. Data from complex analyses nf workpiece surface, roundness or straightness is presented on a screen, a chart recorder, a digital display or a print-out. Even in the most complicated of the systems the operator uses only a simple conversational programming sequence in question and answer form. Result is an increase in the speed of measurement without the need for additional operatnr skills.

Dependent upon the system, hardware can consist nf a combined visual display unil and microprocessor with a hand-held keyboard, or in the more complex arrangements separate computer and display with conlrol from a full sized keyboard/printer terminal. Floppy disc storage is used in some cases.

Mnre from P.O. Box 36, Gulhlaxton Street, Leicester LE2 OSP (0533 23801).

Analyser is made easier to operate

SERIES 304 chromatngraph frnm Pye Unicam has a parameter keyboard which is intended to give assistance tu the user. This is accomplished by the use nf operating keys labelled in familiar chromatographic terms, a set of status lights and an ergonnmic fronl panel layout.

A digital display gives information about the current slate of the iostrument and shows all set parameters and actual values and instantly highlights illogical entries and oversights, as well as diagnnstics when necessary.

The chromatographer is notified of any problems immediately because a built-in integrity check — which occurs each time the unit is "powered-up" — covers the display, status lights and memory. Rapid identification of any fault is achieved by the use of a signature analysis which quickly pinpoints tbe fault location.

Series 304 incorporates start-up/cool-down sequeoces which ensure that the detectors are kept at a higber temperature tban tbe injector and columns during this phase.

A data protect system prevents unauthorised changing of aet parameter values: an automatic atart-up sequeoca enables ovens to be time-programmed to beat up and stabilise at any time, and temperature range protection means the three beated zones can have their temperature ranges limited to any desired value to protect columns, detectors and injectors.

A microprocessor helps to simplify data and sequence handling.

Pye Unican, York Street, Cambridge. 0223 358866.

Preparation of castings speeded

ONE ASPECT of tbe generator manufacturing process bas heen cut from several hours to ahout 75 minutes in a complex which boasts one of the most modern facilities in the country for the preparation of components and castings, says Newage Engineers, PO Box 17, Barnack Road, Stamford. (0780 25527).

At these works, the company has now completed a fully-automated £¾m development which includes a new cleaning and spray-paint shop boused in a 6,600 sq. ft tailor-made building.

In tbe preparation shop, castings (hooked to an endless moving track) pass throngh two wide U-sbapad metal ducts in a two pbase nperation. The first is an acid-based clesning process, followed by washing and drying, and the second a dipping process to establish a penetrating undercoating.

Environmental testing bas also been the subject of heavy investment by the company and the Stamford works contains a special chamber for temperature and humidity testing.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hosre & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Sbanghai	17 %
A P Banks Ltd.	17 %	Indusirial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associatea Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdiogs Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Charlered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Truslee Savings Bank	17 %
Consolidsted Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	Uniled Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

£700m to be spent on airport expansion

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Airports Authority expects to spend about £700m, at today's prices, on developments at its airports in the next five years.

This includes the fnurth terminal at Heathrow, the proposed second terminal at Gatwick—now the subject of a public planning inquiry—and the start of development of Stansted, Essex.

Mr. Norman Payne, BAA chairman, said excluding land, Terminal Four at Heatbrow would cost about £140m and the first pbaae nf Stansted's development about £250m.

"Last year air transport in the UK emplnyed nver 80,000 people and contributed a net addition to the country's invisible earnings of abnut £350m," he said.

"In contrast to many of our older industries, air transport's prospects, as we enter the 1980s, are good. This country needs new enlerprises if we are tn remain a vigorous industrialised country.

"Air transport, providing it is allnwed to grow, can make a real cnntribution tn the generation of wealth and employment in Britain.

"Modero and efficient airports are vital to us, and are an indivisible part of an efficient air transport industry.

"With sensitive planning and imaginatioo, they can be developed to serve the community and provide the businessman and the tourist with the opportunity to travel, thus retaining for Britain its positinn as the most important centre for inleroatinnal air transport outside the U.S."

Mr. Payne said that the growth rate of air travel to and from the UK would probably decline from the 7.5 per cenl a year of lhe late-1970s lo about 3 per cent in the 1990s, but this would still mean a substantial increase in the number of passengers every year.

UK idle shipping cut by 54%

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE TONNAGE of the UK merchant fleet laid up, fell by 54 per cent during 1979. There were 16 ships laid up tntalling 1.7m dwt. At the end of the year tbere were 411 ships in the world tntalling 11.1m dwt laid up. This compares with 593 ships (31.2m dwt) at the end of 1978 and a peak figure of 763 ships (57.0m dwt) in June, 1978.

Tbe big reduction in the tonnage of idle ships occurred during the first nine months of 1979. For the last three months it hovered around the 11m-12m dwt mark.

Just over three-quarters of the laid-up tonnage (8.4m dwt) represents tankers and the rest is dry cargo, according to lhe General Council of British Shipping.

In terms of total tnnnage idle, tbe UK ranks second in the world to Liberia, but tops the table when only laid-up tanker tonnage is considered.

Overall, 4 per cent of lhe UK fleet is idle, which compares with an average of 2 per cenl for the world.

Boys' car design into production

Financial Times Reporter

A FOUR-WHEELED car for disabled people designed and built by hoys from Shrewsbury School will gu into production in the Midlands with the help of the National Research Development Corporation (NRDC).

It is boped to produce 400 of the vehicles a year by 1982. It is estimated retail price will he £4,500 at today's prices.

A new company has been furmed to huild the car—Elswick Special Vehicles of Alcester, Warwickshire, part uf Elswick Hopper, manufacturers and distributurs of cycles, agricultural equipment and special vehicles in a £200,000 joint venture with the NRDC.

Called "Invasbrew," the car has been created to provide mobility for disabled drivers. Its design was evolved from the idea of a car that could be driven from a wheelchair.

The car is flexible enough to scat two wheelchairs, plus two or three pasengers. An alteroative layout would be one wheelchair, a car scat and twn or three passengers.

Incorporating ramps fur easy access, the car has electrically operated side and rear doors, hand and foot controls, a hydraulic jacking system and sealant-treated tyres to minimise the risk of punctures.

● NEWS ANALYSIS—DEARER CEMENT

BY ANDREW TAYLOR

Move to offset declining profits

THE DECISION to raise UK cement prices by 24 per cent from March 1 must be set against the background of an industry that has seen profit margins seriously eroded over the past decade by falling output and rising costs.

The increases will initially affect only ordinary Portland and rapid hardening Portland cements—by far tbe must widely used in construction. But the price of specialist cements may be expected to increase similarly.

Unlike previous price rises over the past few years, thia latest increase is designed tn do more than just recover costs. The industry says it needs to improve margins if it is to make much needed investment in new energy-efficient plant.

Tbe industry has declined as UK construction activity has diminished, and deliveries of cement in Britain has slumped from a peak uf 19.8m tonues in 1973 to 14.9m tonnes last year.

Although last year's figure represents an improvement on 1978 deliveries, it is still only 3.5 per cent more tban tbe 14.4m tonnes delivered in 1977—tbe low point for the decade.

Since 1970 the number of UK cement-producing works has fallen from 51 to around 30. At least one major plant has been closed—Tunnel Holdings' West Tburrock works—which had an annual capacity of about 1m tonnes.

Despite this rationalisation, the Price Commission report into Rugby Portland Cement, published last April, estimated that the industry still had a production capacity of 19.5m tonnes.

Since before the last war the prices of Portland cements bave been governed by a common pricing agreement between the cement manufacturers. Twice this cartel, now under the umbrella of the Cement Makers' Federation, has heen unsuccessfully challenged in the Restrictive Practices Court, most recently in 1973.

More recently the industry has been the subject of two separate Price Cnmmission investigations. Over the past 18 months the Commission produced reports on Rugby Portland and Blue Circle Cement. In both cases, price increasea being sought were approved although there were complaints that tbe existence of a price fixing agreement had led to management inefficiency.

Largest

Tbere are just seven UK manufacturers of Portland cement and six of these—Blue Circle, Rugby Portland, Tunnel Holdings, Ribblesdale Cement, Ketton Porlland and Aberthaw Bristul Channel Portland Cement are members of the Cement Makers' Federation.

The seventh, ICI (by far the smallest manufacturer) altbough not a member of the Federation, markets its cement through Blue Circle.

Blue Circle is easily the largest UK producer, controlling around 60 per cent of the bome market. Rugby Portland is the second largeat producer with a 16 per cent sbare and Tunnel comes next with 10 per cenl.

The price of Portland cement has risen quite sharply over the past two years. In 1978 prices increased by 10 per cent and last year by more than 24 per cent, with rises spread over two stages. A 13 per cent increase last August should have provided some assistance to UK cement profits in the second half of 1979 after a rather flat showing in the first half.

The Cement Makers' Federation argues that past increases have done no more than keep pace with costs. The industry's return on capital employed on a depreciated replacement cost basis has averaged between 4 and 4½ per cent throughout the late 1970s.

By comparison, the industry says that, on the same basis, the return on capital for other quasi-monopolistic building materials groups, sucb as manufacturers of roofing tiles and bricks, has been in double figures.

It is estimated that by increasing cement prices hy 24 per cent the return on capital could improve to between 5 and 6 per cent this year after allowing for a forecast decline in UK cement deliveries in 1980 of between 3 and 5 per ceot.

At the same time, the increase will combat rising electricity, oil and coal prices. Energy accounta for around 41 per cent of lolal manufacturing costs.

Diversified

As the UK cement industry bas gone into reverse, major manufacturers like Blue Circle, Rugby Portland and Tunnel have turned either to overseas markets or diversified into new areas in an attempt to offset declinioc output and profitability of UK cement operations.

Tunnel Holdings, for example, paid £10.5m in 1978 to acquire the specialty chemicals division of Barrow Hepburn, wbich contributed £1.4m to first-half profits last year, wbich rose by almost 50 per cent lo £5.26m.

Blue Circle is presently pursuing a bid worth around £33m for Armitage Shanks, tbe sanitary-ware manufacturer.

In the UK, however, the construction industry remains under a cloud. Last year construction activity is estimated to bave fallen by 3 per cent, with a further 3 per cent decline forecast for the current year.

Brooke leaves EMI board

BY REG VAUGHAN

MR. ROGER BROOKE, wbo became group managing director of EMI last June, has resigned from the board fnllowing the merger with Thorn Electrical Industries.

Mr. Brooke said: "The fact that I would go was evident to both parties from the moment the merger was proposed. The job I bad been appointed to do had just disappeared." Mr. Brooke took up his post with EMI soon after Thorn appointed Mr. Peter Laister, from Ellerman Lines, as its new managing director in place of Mr. Jack Strowger.

Stressed

Mr. Brooke stressed that the parting was "amicable and civilised." He bad a service contract with EMI terminable at tbree years' notice but Mr. Brooke declined to discuss the terms of his parting. His service agreement provided for an annual remuneration of £40,280.

Mr. Brooke is a former vice-chairman of Pearson Longman, wblch company he left to join EMI. At the same time, he resigned as a director of S. Pearson and Son. Mr. Brooke, a fnrmer diplomat, became managing director of the Industrial Reorganisation Corporation in 1966.

Peace-maker for border country

THE HEAD of Ireland's 3.5m Roman Catholics, Cardinal Tnmas O'Fiaich, yesterday appolnted a special reconcillation officer to improve relations with Protestanls in the strife-torn border area of Armagh.

Father Gerard Clifford, 39, a curale in the County Armagh town of Portadown, whlcb has a large Prolestant population, is to "belp beal the wounds of the past."

NFC looks at office move

THE NATIONAL Freight Corporation is discussing with staff and trade unions a proposal to move lts headquarters to Bedford

APPOINTMENTS

Change of chief executive at Costain Group

Mr. Peter J. Costain bas been appointed a director of COSTAIN GROUP and has become group chief executive in succession to Mr. C. T. Wyatt, who ia depnty chairman. Mr. Costain joined the groop in 1963. Since 1965 he bas held executive positions with Coatain Australia, becoming chief executive of that company in 1973.

Mr. Peter Costain

*

Mr. Fane Vernon, cbairman of Ash and Lacy, has joined the BRITISH DREDGING COMPANY as chairman. He succeeds Mr. Bryan J. H. Clark, who in line witb his statement al the annual meeting last August, bas relinquished the chairmanship, but remains cblef executive and has become deputy cbairman. Mr. Christopher M. Glover continues as managing directnr of the group.

The British Dredging Group, which made a loss in the first six months to June 30, 1979, due mainly to bad weather in the first quarter and losses in the eogineering division, states that it bas operated profitably in tbe second six months and continues to benefit from the programme of re-organisation and consolidation.

Mr. Fane Vernon

Following the annual meeting of ASH AND LACY on May 14, 1980, Mr. Vernon is tn be succeeded as managing director of that company by Mr. David Fletcher. Mr. Vernon, wbo bas held that position at Ash and Lacy for 21 years and for the last nine years bas combined the post with that of chairman, will continue as chairman on a part-time basis. At the aame time Mr. James Philpotls will become deputy managing director of Asb and Lacy and Mr. Harry Scaldwell joins the Board of that concern.

*

Mr. Russell L. Miller has joined the Board nf GUILDWAY as financial director and company secretary. He was previously group chief accountant at Fitch Lovell.

*

Mr. Ian Dickenson-Standing has become managing director of MINET LEASING SERVICES and Mr. Tony E. Hart has been appointed associate director. The company is a subsidiary of Minet Holdings.

*

Lord Harvey of Prestbury has become a directnr and chairman of HARVEY & BOYCE and Mr. D. M. G. Welch has been made a director. The appointments follow the resignation of Mr. David Boyce.

Advertising will sell Government policies

By Elinor Goodman, Lobby Staff

THE Conservative Party is to use advertising during the lifetime of this Government to bolster the party's poularity and remind people why they voted Conservative last time.

The advertising hursts will not necessarily be linked to any kind of olection, and for this reason they mark a departure in political publicity.

A decisioo will be taken shortly as to whether to ask the party's advertising agency, Saatchi and Saatchi, to draw up a campaign for use this spring.

Outcry

The use of political advertising in this way is bound to touch somo raw nerve in the Labour Party—not least because Labour onvies the Teries' ability to finance such a campaign.

Some Labonr MPs may also claim that it is wrong to nse party money to sell Government policies, though the outcry would certainly be greator if they felt that Government money was being spent on selling the Tory Party.

The purpose of any advortising will not apparently he te promote any particnlar policies, hut rather to maintain support in the country and remind voters of what the party stands for.

Propaganda

At present, the party's own research suggests that the popularity of the parties is fairly close, and that Mrs. Thatcher's personal standing remains high. Even so, there is serious concern that the Gevernmont is failing to get its policies across, and that Labour is getting the best of the propaganda war almost hy default.

Labour fears cuts in nursery schools

BY IVOR OWEN

NEW Government assurances in the Commons last night failed to allay Labour fears that provision for nursery education will be slashed as local authorities come under increasing pressure to rednce public expenditure.

Before the guillotine began to fall on the report stage of the Edncation (No. 2) Bill Mr. Mark Carlisle, Education Secretary, announced that local authorities will be required to subit to new procedures hefore closing nursery schools.

These inclnde publication of the details of the proposed closure two months in advance so that an opportunity is provided for local objections to he voiced and also to ensure that the Education Secretary should havo the final say on whether tho closure proposal should bo approved or rejected.

But under pressure from the Labour benches Mr. Carlisle confirmed that the closure of nursery classes which form part of primary schools would be able to go ahead solely on the initiative of the local education authority.

Mrs. Ann Taylor (Lab., Bolton W.), speaking from the Opposition front bench, forecast the wholesale break-up of existing nursery education facilities.

She refused to accept that the Government's decision to use the Bill to make changes in the 1944 Education Act provisions on nursery education arose from the need to clarify the existing law.

Mrs. Taylor contended that the change would have "a dramatic effect" and open the way for more authorities to follow the example of Oxfordshire County Council whicb wanted to close 12 nursery schools and 16 nursery classes.

She warned that savings in expenditure on nursery education would prove a false economy. Many of the children henofiting from nursery provision were from deprived areas and if they were denied the right start in life there would he more prohloms later within the education sorvice and outside it.

Mr. Carlisle maintained that the 1944 Act bad heen "extremely uncloar" in laying down a statutory duty requiring the provision of education for children under five. There had been no requirement for parents to send childroo under five to school

A new clause which the Government had introduced to the Bill would clarify the 1944 Act provisions and hring the law ioto line with what it had always been thought to be.

Ho argued that past oxperience, under successivo Governments, showed that tho extent of available resources and not statutory provisions had determined the level of nursery education facilities.

Trevor Humphries

Mr. Mark Carlisle

Thatcher supports steel sell off

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A SUGGESTION that the British Steel Corporation should sell off some of its loss-making plants to the private steel sector won th esupport of the Prime Minister in the Commons yesterday.

Mr. Ivor Stanbrook (C., Orpington) asked her about a proposal that the profit-making private sector should take over some of the BSC assets and demonstrate how to operate them profitably with the goodwill of the workers.

Solution

Replied Mrs. Thatcher: "It is noteworthy that tho private sector of steel is operating at a profit in the same world in which BSC is making very heavy losses.

"As far as the Government is concerned there would he no objection wbatsoever if British Steel Corporation wishes to sell some of its plants which might otherwise he closed. Indeed, I think it would he an excellent solution."

Mr. Tristan Garel-Jones (C., Watford) complained that a nurse who had refused to contribute to the strike fund had to resign her job at BSC. He said such tactics hrought the trado union movement intn disrepute.

The Prime Minister agreed and said that it demonstrated the need for the Government to "strengthen tho law and get ahead with its trade union reform."

Turning to the affairs of BL, Mrs. Thatcher said that the hallot there had not heen on whether to take industrial action. She naturally hoped that the BL workers would take no such action as the company had "very, very severe problems" with high stocks and the inability to finance more stocks.

"Aleady some £1bn of public money has gona into BL and I hope in view of their excellent production record last month that they will together consider how to go forward and get tho company back into profitability," she said.

Water

The subject of tho water workers was raised by Mr. Michael Shersby (C Hillingdon) who suggested that she should urge them to seek a modorate and sensible pay settlement. He wanted hor to tell the workers that the Government would not tolerate strike action whicb woold shut off the nation's water supply and endanger sewage treatmont.

Replied Mrs. Thatcher: "Already most of us believe that water charges are very high now. I hope that those who are demanding more will remember that it will have to be met by people who have far less tban a large number of the water workers themselves."

On the economy generally, she told the House: "This country is getting through because of the viability of many businesses in the privote sector." Without that, we would not have the resources for tho health and education services "or for the vast loss-making nationalised industries who need an ever-increasing amount.".

This hrought an intervention from Mr. James Callaghan, tbe Opposition leader, who said that the higgest handicap for small businesses was the continuod 17 per cent Minimum Lending Rate. Ho wantod to know what bad gone wrong with monetary policies.

In a series of clashes across the despatch box Mrs. Thatcher stressed that the process of getting the nation to live within its means was going to be "a distinctly uncomfortable one." She emphasised that the Government would pursue a policy of reducing public expenditure as a proportion of national income.

Borrowing

Interest rates would come down when the Government's horrowing requirement was reduced.

In that case, said Mr. Callaghan, there would be no help forthcoming for small businessmen. But Mrs. Thatcher retorted that tha policies of the present Government were the only ones that would bring the nation to live within its moans.

Opening Pandora's Despatch Box

BY PHILIP RAWSTORNE

Mrs. Margaret Thatcher stood at the Despatch Box yesterday as if it had just been presented to her hy Pandora.

Troubles just kept popping up all over—and the Prime Minister was just a trifle fraught.

She even called on Mr. James Callaghan for help; a sign indeed of difficult times.

The morning's Times had been tronhlesome, reprioting Sir Ian Gilmonr's thoughts on Conservatism which showed *little affinity with Government policy.*

The Press had added to the pressures with reports of Cabinet splits and advice to put the 3p back on income tax.

Mrs. Thatcher was said to be lonely, bemnsed—even her stars predicted that it would he one of those days when "you may feel that someono is being a hit too offhand . . . not pulling their weight."

In fact, everyone seemed intent on adding to hor hurden. She shouldered more questions on the steel strike with accustomed ease, though admitting concern abont its increasing effects on other industries.

But then there was the question of the water workers. "Strike action cannot be tolerated," Mr. Michael Shershy (C. Hillingdon) asserted.

Mrs. Thatcher agreed. Excessive demands would only be reflected in higher charges, she said.

Had she heard that British Leyland workers had balloted to reject their pay offer? Mr. William Shelton (C, Streatham) inquired.

What result would that have on the future of tho company? he asked.

Mrs. Thatcher hoped fervently that it would not lead to industrial action; hoped the issuo conld be solved.

The Prime Minister made her way through some local difficulties about hospital closures, pollntion and rural post offices.

"The Government shonld not take on board every half-baked idea from its advisors," Mr. Richard Alexander (C, Newark) helpfully advised

Surveying without sympathy the problems piling npon the Prime Minister, Mr. Alhert Roberts (Lab, Bootle) sarcastically demanded when tho entrepreneurs whose shackles she had removed were actually going to begin their investment.

If it wasn't for private and profitable small businesses, there would be ne money now for health, ednecation or the growing appetites of the nationalised industries, Mrs. Thatcher retorted.

But had not Mr. James Prior said that the greatest handicap to small businesses was tho 17 per cent Minimum Lending Rate? Mr. Callaghan coolly inquired.

What had gone wrong with the Government's monetary policy? When would she lift this weight from their hacks?

Interest rates would fall when the hurden of public spending had been redneed, Mrs. Thatcher retorted. "We would be gratefnl for some support" she declared—and for the first time began to look as if she meant it.

Trevor Humphries

Mrs. Margaret Thatcher

Prior wants to speed union Bill

THE Government wants to provide more Parliamentary time for discussion of its controversial Employment Bill dealing with the closed shop and secondary action.

Mr. James Prior, Employment Secretary, gave notice yesterday that on Thursday he will propose a motion in the Commons committee considering the Bill that it should hold extra meetings on Tuesday and Thursday afternoons starting on Thursday.

These would be in addition to present meetings on Tuesday and Thursday mornings.

Mr. Prior is currently under pressure — including some from his own backbenchers—to speed the Bill's progress into law at a time of secondary picketing in the steel strike.

The committee is still on clause two of the 18-clause Bill, and has not yet reached the controversial parts on tho closed shop and picketing.

In six meetings it has discussed Government funds for secret union ballots, and the drawing-np of codes of conduct on industrial relations.

● PICKETS: A total of 136 pickets were arrested in tho steel strike up to last Saturday, Mr. William Whitelaw, Home Secretary, said in a Commons written reply. Central information about charges and sentences was not available, he added.

● CONSCRIPT: Another strong call to bring hack conscription to prepare Britain for the possibility ef a third world war has been rejected hy the Government. Eight peers, both Labour and Tory, supported the rallying cry from Lord Boothby, mado on his *eightieth* hirthday. The West was sitting back watching the Soviet Union huild np its forces just as it had ignored Hitler in the 1930s, he said yesterday.

● BLOWPIPE: The Government expects to place a contract of more than £20m with Short Brothers of Belfast for supplying more Blowpipe air defence missile systems to tho Territorial Army, Mr. Barney Hayhoe, Defeoce Under-Secretary, said tn a Commons' written reply.

● FLIGHT: The Queen's Flight had been used to take "ovor-privileged personnel" to places where they "can shoot defenceless birds out of the air," Mr. Willio Hamilton (Lab. Fife Central) told the Commons yesterday. Mr. Geoffrey Pattie, Defence under-secretary, said that the Flight had not been used for purely social purposes over the past year and 3 per cent of the use was hy Government ministers.

● ASSETS: Public sector assets to the value of £950m have been sold so far this financial year. The remaining £50m to achieve tho Government's £1bn target will be covered hy disposals in hand, Mr. Nigel Lawson, Financial Secretary to the Treasury, said in n Commons answer last night.

Election spending falls in real terms

BY ELINOR GOODMAN

EXPENDITURE by candidates at the last election did not keep up with inflation. The Home Office figures published yesterday showed that the 2,576 candidates who stood in May spent about £3.5m on the election. This was an increase of 65 per cent in cash terms on the October 1974 figure.

But after taking account of inflation, spending was down 15 per cent.

The maximum amount which a candidate can spend at a Parliamentary election is fixed by law, and a number of spending disputes are still outstanding. The Home Office returns show that on average candidates spent about 8½p for every person on the electoral roll. This compared with 5½p per elector in October 1974, but again it represented a fall in expenditure in real terms.

The figures show that of the 41,573,00 electors on the register in May, only 31,221,000 voted. This was slightly lower than in February 1974 but above October 1974 figures.

Government cuts 'help private sector'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE cut in the scopa of tho Government's activities should help prive industry, Sir Geoffrey Howe, the Chancellor of the Exchequer, claimed last night.

In a speech to the Electrical Contractors' Association in London, bo argued that "it is only by restraining the public sector that we can give new life to wbat I call the enterprise sector."

In particular, Sir Geoffrey stressed the mutual benefit from containing pay settlements and inflation, and the Government's efforts to give contractors "a fair chance to compete."

He said cash limits do not just affect the level of public sector pay but "affect all costs, inclnding contracts awardad to private industry. The more costs rise, the less work we can afford."

Sir Geoffrey said the Govermont was "setting limits which are tough but realistic. The public sector cannot go on being a soft touch for pay settlements. And it will not be a aeft touch for high priced contracts,

"So you can help our common effort to prevent inflation eating into the amount of work available by making sure tho tenders you put in are competitive."

On the competition point, Sir Geoffrey highlightod the Local Government Bill wbich he said would "givo a now chance to private contractors with its new rules for direct labour organisations." He said councils would have to put every major project and a lot of minor nnes out to tender and direct labour organisations would have to earn a return on capital.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.310	2	6.50	—	—	—	—	F.290.50
ABN C	F.320	1	3.20	1	5.50	—	—	
AKZ C	F.22.50	25	3.30	—	—	—	—	F.25.30
AKZ C	F.25	30	1.50	44	2	2	2.70	"
AKZ C	F.27.50	—	—	75	0.90	—	—	"
AKZ C	F.30	21	0.20	45	0.80	—	—	"
AKZ P	F.25	—	—	20	1.20	—	—	"
AKZ P	F.27.50	2	2.30	5	2.20	—	—	"
ARB C	F.65	5	1.10	—	—	—	—	F.65.50
HEI C	F.75	2	1.50	—	—	5	4	F.69.80
HO C	F.22.50	—	—	10	2.20	20	3.10	F.22.50
HO C	F.20	5	0.70	12	1.20	—	—	"
IBM C	$75	1	1¼	—	—	1	4¼	$65⅝
KLM C	F.60	51	14	2	13.50	—	—	F.72.20
KLM C	F.70	42	6.50	13	7	—	—	"
KLM C	F.80	79	1.50	58	4.10	2	5.20	"
KLM C	F.90	20	0.40	47	1.40	—	—	"
KLM P	F.60	58	1.20	—	—	2	2.60	"
KLM P	F.70	151	4.30	53	5.50	—	—	"
KLM P	F.80	28	9.50	6	0.50	—	—	"
KLM P	F.90	0	17	—	—	—	—	"
NN C	F.115	5	4	2	4.50	—	—	F.116
NN C	F.120	8	1.20	2	2.80	—	—	"
NN C	F.125	2	0.50	—	—	—	—	"
PET C	Fr.5500	2	860	—	—	—	—	Fr.6220
PET C	Fr.6000	12	470	3	550	—	—	"
PHI C	F.20	27	1.30	107	1.50	61	2.10	F.20.10
PHI C	F.22.50	110	0.30	46	0.60	33	1	"
PHI P	F.20	—	—	—	—	65	1	"
RD C	F.145	12	24	6	24.50	—	—	F.169
RD C	F.150	159	19.90	30	20	—	—	"
RD C	F.160	755	13	278	13.90	34	15	"
RD C	F.170	495	6.50	84	9	55	9.10	"
RD P	F.140	20	0.20	—	—	—	—	"
RD P	F.145	293	0.40	—	—	—	—	"
RD P	F.150	159	1	45	2.40	20	0	"
RD P	F.160	199	3.60	27	6.40	2	8	"
RD P	F.170	93	7	72	11.60	10	14	"
UNI C	F.115	7	4.80	—	—	—	—	F.115.50
UNI C	F.120	37	2.50	1	3.10	1	0.60	"
UNI C	F.125	9	0.80	—	—	—	—	"
UNI C	F.130	240	0.30	—	—	—	—	"
UNI P	F.110	—	—	3	3.60	—	—	"
UNI P	F.120	—	—	5	6	—	—	"
XON C	$55	16	11½	—	—	—	—	$65½
XON C	$60	32	7½	—	—	—	—	"
		Feb.		May		Aug.		
BA C	$50	2	13⅜	—	—	—	—	$65⅛
BA C	$60	—	—	10	2¼	—	—	"
BA C	$70	—	—	1	5¾	2	6⅛	"
OXY C	$60	—	—	13	5¾	—	—	$30⅞
SLB C	$100	7	12½	1	15¾	—	—	$112¾

TOTAL VOLUME IN CONTRACTS 4648

C=Call P=Put

FINANCIAL TIMES SURVEY

Wednesday February 13 1980

MINING EQUIPMENT

Coal is, and will remain, a vital source of energy and mining offers substantial opportunities for equipment manufacturers. The National Coal Board provides a strong home base for British companies, but despite this their exporting prospects are far from certain. They face tough competition from Germany and Japan.

High oil prices aid the industry

By Hazel Duffy

THE MINING machinery industry is one of that select group which atands to benefit *from the rise in oil prices* that ia changing the world economic scene. The growing emphasis on coal in those countries fortunate enough to enjoy large reserves is expected to lead to increasing demand for mining equipment.

The pace of progress may not be as fast as many would like—in the U.S., for instance, there has been much talk about building synthetic fuel plants using coal as the base product, but actual development has been far from swift.

Nevertheless, coal has a prominent role to play in the future supply of energy, and the opportunities for equipment companies which are already in the forefront of technological developments promise to be substantial. In equipment for the deep mining of coal, the European manufacturers can justly claim for the moment to have an edge over the rest of the world in the technology known as longwall mining. American companies, however, will be attempting to close the gap.

The Americans dominate the market for opencast mining machinery, reflecting both the widespread use nf opencast mining in the U.S. and also the important position that American companies hold in the area of beavy construction equipment, mnch of which is used in the excavation and transport of coal at surface mines. The German industry also has some prominent companies supplying opencast mines, particularly in bucket wheel excavators, while the French and Japanese are also strong competitors in various parts of the world.

Much of the equipment used in mining and transporting coal is also used in the mining of other ores. This is particularly true of drilling equipment, haulage trucks, materials handling systems, and excavators. In deep mining, there is also some overlap between equipment reqnired for coal retrieval, and that for underground mining of gold, copper, tin, etc.

For all types of equipment there is vigorous competition in export markets between manufacturers. The number of completely new mines which are sunk are few and far between. The Chinese are planning a £500m "greenfield" mining development in the Datung region, for instance, which is arousing great interest on the part of equipment suppliers. Most of the demand for machinery, however, is created by the extension of existing mines, and modernisation of existing faces.

The existence of a constant level of demand from the home market is a valuable basis for any industry. In the UK this is being provided by the Natinnal Coal Board, whicb takes around *80 per cent of the equipment* made in the UK. Over the next five years, the NCB is expected to invest at the rate of around £500m annually, nearly all of it being spent in Britain. Tbe support of the NCB, as a customer, partner in researcb and development, and not least *as a* shnwcase fnr potential overseas buyers, is of invaluable support to the British industry.

Warning notes

In spite of these advantsges, the export future for those companies specialising in mining equipment is far from assured. The NEDO sector working party (SWP), in its progress report published today, sounds some warning notes as far as exports are concerned. Most of the exporting is confined to a few specialised companies, and one or two of them bave done well. *The main markets in the past* few years have been the U.S, and China. More recently, there bave been some important contracts in countries like Egypt and Bangladesh, while Swaziland is expected to assign a big contract soon. The prime competitors of the UK are Germany, and, *increasingly*, Japan. The conclusion of the sector working party Is that British companies have not done as well as their *position* in the world *mining* machinery league would bave suggested.

The SWP, which had set a target of doubling exports between 1975 and 1981, makes some points about why it thinks the industry has lagged behind Germany.

A—German *companies* are better able to organise themselves into consortia when quoting for large contracts, and certainly are superior ln putting together turnkey deals. The *British say this is because the* Germans have more fruitful relationships with their banks.

B—There appears to be no *link* between the *import* of *sub*stantial amounts of mineral ores, including coal, and British exports of mining machinery. Meanwbile, the cut-back in overseas aid, means that the prospects for machinery exports to projects being financed by Government aid are that much poorer.

Apart from these points, the SWP seems a little bemused by the undoubted success of German companies in the U.S., for example, where longwall mining equipment is being installed more extensively. It even suggests that a group should go to Germany to make a comparability *study* of German companies. Tbe proposal negotiated with the Overseas Project Group at the British Overseas Trade Board for a funding facility of feasibility studies for new mining developments has come up against the problem of expense. The idea *was that the studies* be carried out by British Mining Consultants and offered to a potential overseas customer oo the understanding that British equipment would be specified where possible. Twn ideal candidates, in China, bave presented themselves, but the cost is considerably above that negotiated with OPG.

The SWP also proposes that the Government develops an active counter-trading policy; introduce some profit element for those *consultants* using OPG funds to assist feasibility studies; and raise the level of tax relief on time spent abroad by export staff.

The mining equipment sector in Britain is highly fragmented, apart from the few large specialised companies, and a number of companies providing ancillary equipment to the mining industry, there are about 100 companies in the sector, many of them small to medium-sized.

This sort of structure can make communication within the industry more difficult (althougb almost all belong to *ABMEC*, the trade association which is concerned with exporting), and can limit the availability of finance for the advancement of researcb and development, or simply for the task of seeking out export opportunities. When such opportunities are picked up, the customer, particularly in developing countries, may well want a complete "turnkey" deal to be arranged.

Less equipped

The British mining equipment industry, in common with other sectors of British industry, seems less equipped to put together such deals than its competitors.

Another problem increasingly being encountered by companies seeking to export to Communist countries is that of counter-trading. It is not impossible, but it does require the expertise of brokers at additional expense, hence the recommendation of the SWP that the Government develop a policy on this type of trading.

Technical expertise is a prime ingredient in the mining industry. Systems are required increasingly to be more efficient, and at the same time, safer, than ever before. It is a field where Britain's long experience of coal mining gives the whole industry a tremendous advantage. Furthermore, the mining engineers who are employed by the NCB have frequently been trained alongside those who are working for the equipment companies, so that there is a valuable liaison at unofficial as well as official levels.

The expertise and exchange of information does not stop with the extraction of the coal from the mine. The development of *coal preparation* plants, for instance, is another area where the NCB works with the industry and aims to increase its export effectiveness.

In spite of the buge advances that have been made in mining technology since the last war, however, there is no bint of any easing up. The advent of electronics, both as a means of controlling specific items of equipment and for complete communication systems within mines, promises to open up new opportunities.

Research is continuous into the conversion of coal into liquid fuels, with the possibility that at some time this may even be done underground. The continuous development of mining techniques supports the general climate of optimism which is evident in the equipment industry.

SOME LEADING MANUFACTURERS OF MINING EQUIPMENT

Anderson Strathelyde	*UK*	*Coal cutting machines, conveyers*
Atlas Copco	Sweden	Compressors, drilling equipment
CompAir	UK	Drilling equipment, portable and stationary air compressors
Ingersoll-Rand	U.S.	Drilling eqnipment, electric shovels
Gardner-Denver	U.S.	Drilling equipment, electric shovels
Jny Manufacturing	U.S.	Drilling equipment, electric shovels
Harnischfeger	U.S.	Drilling equipment, clectric shovels
Dnwty	UK	Rcof snpports, conveyers
Gullick Dobson	UK	Roof supports, ripping machines
Hitachl	Japan	Loaders, handling equipment, cranes
Klnckner-Becnrit	Germany	Ronf supports, conveyers
Krupp	Germany	Mining systems, mineral processing plants
Mannesmann Demag	Germany	Heading and tunnelling machines, cranes and excavators
Marion Power and Shovel (Dresser Indnstries)	U.S.	Draglines, cranes
Poclain	France	Shovels, excavators
Ransomes and Rapier	UK	Draglincs, cranes, shovels, drills
Rastnn Bucyrus/ Bncyrus Erie	UK/U.S.	Draglines, cranes, shnvels, drills
GHH Sterkrade	Germany	Roof supports, handling equipment

In addition, many companies making earthmoving equipment also supply mining equipment, e.g. *Caterpillar, Euclid, General Mntors (Terex)*, and *Orenstein and Koppel. Other companies involved* in electrical equipment, communications, materials handling, and process plant also play an important part in the equipping of mines.

CONTENTS

Coal Board relies on British machinery

THE MODERN coal face bears as little resemblance to the old pick and shovel method of hewing coal as modern radio equipment does to the crystal set. It is refreshing to find that, at least as far as British mines are concerned, almost all of the equipment has heen designed and mada in the U.K.

The efficient prodnction of coal, together with the ever-increasing requirements of the safety of the coal workers and the protection of the environment, combine to pnt growing demands on the technology of mining equipment. Close co-operation between the research facilities of the National Coal Board (NCB) and of the equipment companies themselves have ensured that in the method known as longwall mining (which accounts for 95 per cent of the NCB's deep mining), the UK can claim to be joint leader with the Germans on a world-wide basis. Sales of mining equipment in 1978 totalled £499.8m of which 7.5 per cent was exported. (It should be noted that this export figure is accounted for primarily hy only three or four major companies, while the total excludes materials handling equipment, such as conveyor systems and other types of equipment which are not for mining purposes solely. In addition, the exports figure was not typical, and will prove considerably higher in 1979.)

The NCB's 10-year plan, known as "Plan for Coal," laid down an ambitious programme of capital investment and expansion in the post-1974 oil crisis climate. The latest published figures show that the NCB Invested £454m in capital projects in 1978/9, of which £182m was in major projects costing over £500,000 apiece. This represented a trebling of overall capital expenditure in real terms over the previous five years.

The plan calls for substantial investment in modernising and further developing existing mines, as well as in starting up new mines. One such scheme at Kellingley, for example, is for a major reconstruction involving seam development, additional washing and hlending facilities, and a hunker-type rapid loading system. The cost is put at £38m.

The NCB's plans incorporate many aspects of mining engineering—for instance of sinking new shafts, and building underground roadways. They also require expensive capital equipment—it is estimated that equipping a new face with heavy duty longwall mining equipment can cost up to £3m. The biggest single item at the coal-face is the roof support. Not so very long ago, these were simple timber supports that had to be cut to accommodate the height of the chamber. Today they are sophisticated, hydraulic-powered steel supports which are attached to the conveyor system on to which the coal is discharged, and then advance themselves hehind the power loader which extracts the coal. Powered roof supports are normally engineered for specific customers, each face requiring certain variations.

Major suppliers

The leading manufacturers in the UK of supports are Dowty and Gullick Dobson (part of Dobson Park Industries). Both are major suppliers to the NCB, with Gullick supplying ahout 55 per cent of the NCB's requirements and Dowty the second largest supplier. A smaller manufacturer of roof supports is Huwood, an old-established company which is now part of the Babcock and Wilcox gronp, and makes a range of other types of mining equipment, inclnding conveyors.

Both Gullick (based in Wigan) and Dowty (based in Gloucestershire) make other types of mining equipment in addition to roof supports. Gullick has recently developed, in conjunction with the NCB, a roof-mounted ripping machine which is designed for use in main roadways where access for floor-mounted machines is difficult. Mining equipment accounted for sales of nearly £80m hy Gullick in 1978/79. The introduction of the impact ripper has also had some overlap with the company's industrial division, as it has some applications in civil engineering.

Dowty strengthened its mining equipment range early in the 70s when it bought the conveyor manufacturers now known as Dowty Meco. The company makes armoured face conveyors (a product first developed by the German mining industry) and belt conveyors. As the face conveyor has to marry up with the roof support system, it is an obvions advantage for Dowty to be able to qnote for both types of equipment. Dowty Meco turnover is £50m a year, while Dowty Mining Equipment (primarily roof supports) is £100m annually.

Dowty has been particularly successful in export markets. It is the first British equipment manufacturer to assemble in the U.S., an achievement which has greatly helped it in establishing a respectable share of the small, bnt growing, U.S. market for longwall mining equipment. The company is fighting hard in the U.S. against tough competition from Germany, while it is hopeful of another order from China before very long (the last equipment for the £90m China order—of which £70m was for Dowty equipment—was finished recently).

China will continue to offer big opportunities for the British industry but there are undoubted problems over negotiating satisfactory financial arrangements—with the Chinese still seemingly insisting on counter-trading as a means of payments. While this might be acceptable to the Germans and French, it is unlikely to be so in coal-rich Britain.

The relationship between the equipment companies and the NCB, which is by far their largest customer, is importanr in assessing the companies' future in export markets. The NCB is very conscions of the need for the industry to export. The establishment a couple of years ago of British Coal International, which indirectly is largely funded through the NCB, is a case in point.

The NCB also has a half-share with Powell Duffryn in British Mining Consultants, a consultancy body which could have considerable potential for gently steering overseas work in the direction of British companies.

The NEDO sector working party report makes it clear, however, that Britain is in danger of lagging behind the Germans in exports for reasons quite apart from technology. The Germans are said to be effective in putting together "turnkey deals." Although the British industry has some experience in this field, it seems to fail to clinch orders sometimes at almost the last moment. There is much talk of "soft loans" being granted by the governments of competitors. Certainly it is a case that the German equipment industry, which is reckoned to be about the same size as the British, must export a higher percentage of its output given that the German hard coal industry is smaller than the British.

The roof support manufacturers, supplying the largest single Item of equipment, normally take the lead in putting together consortia. The next item is cutting equipment. Anderson Strathclyde, the Glasgow-based company which was a merger of Anderson Boyes and Mavor & Coulson, is a leading producer of shearer loaders. It has developed heavy duty cutting equipment suitable for the efficient mining of thicker seams, which partners the heavy duty roof supports increasingly being required both hy the NCB and overseas buyers, as well as for very thin seams.

Anderson Strathclyde does a lot of business in South Africa (although not much in longwall mining equipment, which is used far less than in Europe), the U.S., China and Europe. Total sales, inclnding materials handling equipment for both mining and non-mining outlets and outlets and tunnelling equipment, are in excess of £50m.

Another British manufacturer of cutting and conveying equipment is Mining Snpplies, a smaller outfit than Anderson Strathclyde. The group aroused interest last year when Dobson Park made a hid, but this did not succeed. The company is also enaged in electrical engi-nering and electronics and has a turnover of around £15m.

Mining requires a large range of equipment for transporting the coal or ore to the surface, electrical equipment including special lighting, electronic controls, etc., all of which need to be designed with a very high in-built safety factor, and coal preparation plants. Cable Belt, a Surrey company, is well-known for cabla conveyors for coal and copper, bauxite and iron ore mining, both underground and on the surface. It exports high and medium power cables all over the world.

Flameproof

Among leading companies are Hawker Siddeley (Brush Transformers) which has developed a range of flameproof mining transformars and switchgear; Plessey Communications, one of the world's largest suppliers of communication systems for surface and underground networks; Victor Products (Wallsend), recognised worldwide for its contribution to safe lighting systems as well as drilling and cable connecting equipment. In the area of coal preparation Jenkins of Retford, now known as Babcock Minerals Engineering, Matthew Hall, and Head Wrightson (now Davy International Process Engineering), are among the leaders. Other companies with a big mining commitment include Northern Engineering Industries supplying a range of electrical equipment; Adamson-Butterley (part of Norcros), which makes bulk materials handling equipment, and B.I.C.C. suppling electric cables for mining and quarrying. GEC Mechanical Handling is an important producer of mine shaftwinding equipment.

The deep mining equipment industry in Britain is dominated by British-owned companies. Open-cast mining, which occupies a much smaller part of the NCB's activities, is traditionally an area where American companies are very strong because this is a much more widely adopted system in the U.S. Much of the equipment in open-cast mining overlaps with heavy construction and quarrying eqnipment, where the Americans are particularly well-represented.

Notable companies in the UK are Ransomes and Rapier (part of Central and Sheerwood), which makes cranes and draglines; Ruston-Bucyrus (owned by Bucyrus-Erie, U.S., and GEC), which makes a range of heavy-duty cranes and draglines; and Frederick Parker, a leading prodncer of quarrying equipment. In addition, open-cast mining uses the products of a large number of construction equipment companies such as hydranlic excavators, dump trucks, etc.; as far as the larger, off-highway trucks go, which transport the coal/ore, only Aveling Barford, and DJB Engineering make anything approaching the size of the American and Japanese-based multi-nationals.

Mining equipment is a sector of British engineering which offers substantial opportunities for efficient well-run companies able to innovate and develop to meet the technological requirements of the future. Linked historically to an important coal industry, which is now embarking on an expansionary phase, the equipment industry has maintained a powerful presence worldwide and seems well-placed to continue doing so.

Hazel Duffy

Opencast manufacturers face a keenly priced market

"PRICES ARE very competitive: it is a buyer's market," said a senior South African coal executive as be contemplated the struggle of the opencast machinery manufacturers to keep their sales up. It was an indication of the cyclical nature of the market and a firm reminder that, for coal at least, the swing upwards has scarcely begun.

Bnt the manufacturers are protected to some extent as each section of the mining industry has its own cycle. Demand from the coal industry might be at a low point while orders from the copper and uranium mines are increasing. Further, there are geographical differences: although there is expansion in the Australian, European and South African coal industries, there is extensive over-capacity in the U.S.

And, among the manufacturers themselves, the cycles work differently. Gardner-Denver, the U.S. drill manufacturer, reported a year ago that demand was continuing to improve as the overhang of machinery inventories disappeared, while Harnischfeger, the U.S. group which claims to be the industry leader in electric shovels of up to 50 cubic yards, saw shipments remaining at 1978 levels.

A Rapier W2000 walking dragline at work on an opencast coal site in Pennsylvania. The machine has a 245 ft boom and a bucket capacity of 44 cubic yards

Generally, however, the prospects were looking better at the end of 1979 than they were at tha beginning. With sales—beyond that of mere replacement—linked inevitably to the prosperity of the mining industry, the manufacturers were ahle to watch the recovery of base metals prices, a greater stability in the iron ore industry, the working through of uranium expansion started in the mid-1970s and a new drive to work ont the prohlems of the U.S. coal industry.

U.S. to gain

If aspirations are translated into firm orders then it will be the U.S. which gains the main benefit. The influence of the U.S. in the opencast machinery market is pervasive, notwithstanding the activities of the German bucket wheel excavator manufacturers, the walking dragline sales of Ransomes and Rapier of Ipswich, the demand for drills from companies like Compair and Atlas Copco, and the huge diversity of the off-highway truck market.

This U.S. influence is illustrated at Anglo American Coal Corporation's Kriel colliery in Transvaal. The overburden is drilled with Gardner-Denver drills. The overburden is prepared for the dragline by Caterpillar dozers. The walking draglines come from Bncyrus-Erie of Milwaukee. Once they have stripped the overhurden, the coal is drilled by Ingersoll-Rand drills. The coal is loaded by Harnischfeger shovels, under the P and H marque, and transferred into Caterpillar coal haulers.

The biggest piece of equipment at the colliery is the B-E dragline. One of the reasons it was chosen for use was the fact that about 70 per cent of its parts were made in South Africa. This is significant as an indication of the international quality of tha major manufacturers.

They are prepared not only to export but to have thair machinery made either by subsidiaries or under licence. B-E considers the merits of local manufacture on a country-by-country basis depanding on the possihle growth of the market. Marion, one of B-E's rivals, accepts the trend towards local manufacture but notes that while countries like South Africa and Australia have the capability to sustain such processes, this is not the case with under-developed countries.

For its part, Caterpillar has a string of international operations specialising for the most part in machinery of smaller scale than tha hnge draglines. Its European office in Geneva controls sales throughout Africa, for example to the diamond mines of Namibia (South West Africa), to the iron ore mines of Liberia and Mauretania, the copper mines of Zaire and the coal mines of Niger.

Against this background of international activity, competition among the machinery manufacturers is intense. B-E vies with Marion Power and Shovel, the Dresser Industries unit, for the large scale walking draglines, while Ransomes is finding a niche in the smaller end of the market in equipment with a capacity of up to 40 cubic yards and actually selling in the U.S. Page Engineering is also a competitor.

Among the drill manufacturers, Gardner-Denver and Ingersoll-Rand are joined by companies like Joy Manufacturing and Chicago Pneumatic Tool. In the large scale shovel market, Harnischfeger competes with B-E and Marion. For the large haulage trucks, over 150 tonnes, General Motors with the Terex marque sees its main competitors as Lectra Haul, Wabco with the Haulpak marque, and Euclid.

The UK share of the opencast market for heavy machinery is small but could grow. South African mining executives have noted that Ransomes presence, after an absence of several years, has gingered up the market. Ransomes itself, encouraged by the sale of seven draglines to the U.S., two more on the way, and another machine to Jordan Phosphate for example, sees its re-emergence on the markat as offering consumers a chance to break away from the old narrow range of suppliers. Certainly, given an upturn on the market, its output should be easily absorbed.

Spread over a wider range of machinery, Ruston-Bucyrus of Lincoln, half-owned by B-E and half-owned by GEC, is already firmly established. Generally, its manufacturing is complementary to that of its Milwaukee parent, with an emphasis on medium-sized equipment. Although autonomons in matters of design, and independent as far as UK sales are concerned, it is part of tha B-E international sales network.

Dependent

But, with the UK market too small to absorb more than a basic amount of machinery, both Ransomes and R-B are dependent in the long run on the international ebb and flow of ordars.

This means they will be watching the situation in the world coal industry very closely. The key to that, as far as machinery sales are concerned, is the U.S. So far the renaissance, promised in the mid-1970s, has not fulfilled early hopes and over-capacity is rife. But Marion has noticed an upturn In the number of inquiries, starting in the 1979 second half.

If such inquiries are translated into orders, then the manufacturers could be working flat out by 1982-83. But the mining companies, looking at an investment of more than $10m for a modest sized dragline, do not make the commitment without themselves having firm sales contracts.

There is, said one executive, a fairly good correlation between the demand for draglines and the timing for utility expansion. The utilties, he estimated, have about a five year cycle for equipment-buying. If President Carter's emphasis in energy policy on the shift to coal is realised, then tha utilities may be entering a buying phase.

But there are two further factors. The first is that infrastructure to sustain a rapid as opposed to a steady increase in coal mine expansion often does not exist. Second, in the U.S., tha passing into law in 1978 of the Surface Mining Act is creating extra demand for land reclamation machinery, a move which has helped groups like Caterpillar.

Within the coal industry itself some exectives have detected a move to draglines away from shovel-and-truck operations to save on energy costs. On the other hand, makers of medium-sized equipment are arguing that their delivery times are shorter and that their products represent smaller capital outlays for the mines: this, they suggest, gives them a built-in advantage.

Overall, however, there is increasing emphasis on saving energy costs. The rise in oil charges has made diesel fuel charges more expensive than tyres, mining companies have complained to manufacturers of the largest off-highway trucks.

This prohlem spreads through both the energy and non-energy sides of the mineral Industry. For the latter, machinery sales are geared to the movement of the industrialised economies. Thus, although the industry has survived the worst, the period of recessionary metal prices in 1975-78, immediate prospects are cloudy, brightened mainly by the thought of an upsurge later in the decade.

Paul Cheeseright

NCB helps the industry improve its products

THE NATIONAL Coal Board (NCB) looms large in the life of Britain's mining machinery manufacturers and the two sides have long had a very close, almost symbiotic, relationship.

There are three major points of contact. The NCB, which spends over £400m a year on machinery equipment, is the manufacturers' main market; but it is also a close colleague in the field of research and development and helps in the hunt for international business.

The intimate nature of the relationship is encapsulated in the existence of a steering committee, comprising senior NCB officials and their opposite numbers in private industry, which discusses the general drift of mining policy. Below this level there is a series of bilateral committees which aim to smooth relations between the two sides on such matters as contract conditions.

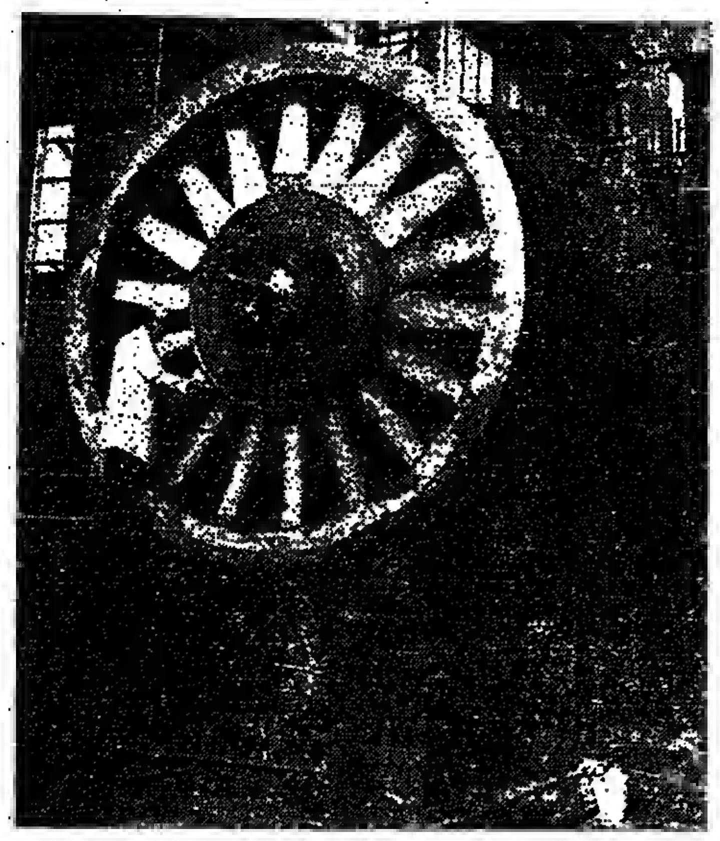
Where it can the NCB prefers to award contracts by annual competitive tender. This is possible when it is buying from a range of standardised products, but mining machinery is rarely standardised and prices therefore tend to be set in negotiations with individual companies.

Before any new item of machinery can be put on the NCB "shopping list"—the list of products which the Board's 12 areas are allowed to order—it must first be tested by the NCB's Mining Research and Development Establishment (MRDE), whose headquarters are at Bretby, near Burton-on-Trent. According to the MRDE's annual report for 1978-79, about 25 per cent of items tested during the year proved to be unacceptable. Generally, small modifications were sufficient to correct the faults but in some cases major redeseign work was required.

The main thrust of MRDE's work, however, is in the field of research and development, often in close co-operation with the mining machinery industry. The increasing application of computer technology to mining has meanwhile taken MRDE into collaboration and consultation with companies outside the traditional world of mining technology.

According to Mr. P. G. Tregelles, the director of MRDE, writing in the establishment's annual report, the "critical central problem" now in the mining industry is "ensuring reliable operation of the present longwall mining system." Areas where reliability and efficiency can be improved include the automation of the coal winning system, technology for more rapid tunnelling and for more rapid transport systems to ferry miners between coalface and shaft.

The MRDE also has a useful role to play in the export field. Manufacturers say the fact that their equipment has been tried, tested and approved by this internationally respected establishment is a valuable export aid.



An axial flow mine ventilation fan with automatic variable pitch control, on order for the NCB's Selby complex, being erected for a works performance test in the Glasgow factory of James Howden and Co.

However, a more formal export link exists between industry and the NCB. This is British Coal International (BCI), set up some two years ago by the Coal Board. NCB provides its administrative services and 90 per cent of the funds to cover its running costs.

BCI acts as a focal point for inquiries about the British coal industry from abroad and promotes the interests of the industry through overseas advertising and some exhibitions (though most of these in the machinery sector are mounted by the Association of British Mining Equipment Companies). BCI also collects and disseminates information about developments worldwide in the coal industry, but this service is probably more useful to the smaller British companies than to the giants in the game, with their own fully fledged export departments.

The unveiling of the NCB's "Plan for Coal" in the wake of the 1973/74 oil crisis meant a turning point in the fortunes of the British coal mining industry, which was once more set on an expansionary path after more than a decade of contraction.

That expansion seems bound to continue apace as the world struggles with the problem of diminishing oil reserves. Apart from a major programme to improve existing mines, the NCB is planning to produce 10m tonnes a year from the new pits now being built in Yorkshire's Selby coalfield. Planning consent is also being sought for the development of new collieries at Park, in Staffordshire, and in northeast Leicestershire's Vale of Belvoir.

With imports accounting for only 2-3 per cent of the NCB's mining machinery purchases, such developments must spell a bright outlook for Britain's manufacturers.

Martin Dickson

W. Germany a keen exporter

THE DEVELOPMENT of the German mining equipment industry has been determined largely by the importance of coal mining to the economies of West Germany and countries in Eastern Europe. Much of the equipment which is used in coal mining, however, can also be used to extract other minerals, and both Germany and the UK supply equipment to markets worldwide.

A major difference between the UK and West Germany in coal mining is that lignite (brown coal) accounts for more than half the coal produced in West Germany. The German industry is naturally represented more strongly, therefore, in the production of surface mining equipment.

A higher proportion of German output goes for export than from Britain. In 1978, for instance, about one-third was exported from Germany, and less than 10 per cent from Britain. The level of exports in both countries is determined very much by the amount of orders placed from the home market.

Comparison of the size of the two industries is complicated by the fact that German figures (from the German Industry association VDMA) include equipment which is excluded in the statistics on Mining equipment from the Department of Industry. Sales of German equipment in 1978, including spares, totalled DM 2,820m £703.2m).

Exports amounted to DM 829m (£206.7m) the biggest export market being the Soviet Union (DM 156m), followed by the U.S. (DM 104m), Poland (DM 53m) and China (DM 46m). The China total will have been very much higher last year following the orders received by Germany for equipping six shaft mines and two opencast mines in China. The export figures emphasise the importance of Eastern Europe and the Soviet Union to West Germany. Geographical proximity and similarity of mine structures make these markets a natural extension to the home market for West German manufacturers.

Companies which were involved in the recent China order included Krupp, Orenstein and Koppel, Mannesmann Demag, Thyssen, GHH Sterkrade, and the Wolff group. In late 1978 when the Chinese placed the orders the German industry had surplus capacity. The British say that if they had had sufficient capacity at the time, they also would have been eligible for more orders from China.

Krupp Industrie und Stahlbau (part of the Krupp group) is a major company in the area of complete packages. It can offer *exploration, planning* and *feasibility* studies, design and construction of mining systems, and a range of mineral processing plants. *Other parts of the* group also make drilling equipment.

Several types

Like Krupp, Mannesmann owns steel works as well as engineering companies. The Demag subsidiary makes several types of equipment for the mining industry, including heading and tunnel boring machines, shaft winding equipment and open-cast equipment including hydraulic cranes and excavators.

Orenstein and Koppel is a major supplier of hydraulic excavators both of mining and construction purposes, mining shovels, and bucket wheel excavators.

GHH Sterkrade provides a range of equipment for moving materials, as well as supports. It share of the China order included shaft hoists and load-haul dump equipment — the latter for copper mines. Thyssen supplies supports, both self-advancing and conventional, roadway supports, and heading machines.

Klöckner-Becorit, which was formed three years ago by the merger of two factories in the Ruhr area, is one of the biggest German manufacturers of roof supports. It also produces chain conveyors, coal ploughs and other mining equipment. Other important suppliers of roof supports include Hemscheidt and Westfalia Lünen, which can also supply complete longwall coal face systems.

Eickhoff is a leading producer of shearer loaders, and in the field of bulk handling systems. KHD Humboldt-Wedag (part of the KHD group which is also a major supplier of diesel engines for mine workings) is important along with Aumund-Fordererbau, Wolf, Krupp, Demag, MAN, O&K, Pohlig-Heckel-Bleichert, Salzgitter, Weserhutte, Luoen, and Zur Nieden.

H.D.

Mine safety a major headache

MINING, WITH construction, has for long held the unwanted rank of the industry most prone to accidents, despite the far-reaching efforts of both managements and unions to alter the fact.

The tragedies at Bentley Colliery, near Doncaster, in November 1978 and at Golbourne, Greater Manchester, in March last year point out, as Mr. Joe Gormley, president of the National Union of Mineworkers, put it, "the true price of the cost of production of coal."

Seven *miners died* and three were seriously injured at Bentley when an underground train ran out of control down an incline and *was* derailed. At Golbourne Colliery, three men were killed in an underground explosion and seven died in hospital from their injuries.

Miners tend to make the headlines at the time of their annual wage claim and when Government earnings surveys find them at the top of the pay league. Despite the formidable array of *health* and safety regulations which are laid down for the industry though, a more accurate reflection of the day-to-day work in the *mine* comes through the cold prose of the Health and Safety Executive's annual reports on mining.

The latest report published after both the Bentley and Golbourne tragedies but taking account only of the former, records the "more disturbing feature of a considerable increase in fatal accidents." The number of deaths in coal mining rose by more than half, from 40 in 1977 to 63 in 1978, and the number of serious injuries rose slightly from 494 to 501.

The HSE points to the need for technological improvements to temporary supports designed to be used at the coal face to shore up newly exposed roof and sides.

It says the largest single area *where* fatal accidents are caused is in the heavily-mechanised area of underground transport, which accounts for 40 per cent *of all* underground accidents and 34 per cent of all reportable accidents at coal mines.

The HSE is very concerned at *the number of deaths* connected with the underground transport of men, materials and coal. Eighteen miners died in transport accidents in 1977. The following year the number rose to 29, or 63 per cent of all underground accidents. The executive said in its report that transport systems should be subjected to "critical" examination.

The increasing application, too, of more sophisticated coal-face techniques has led to an increase in the amount of equipment required at the face; the HSE noted, though, that the "same antiquated transport systems" were expected to cope and called for the provision of safer and more efficient transport systems.

The percentage of accidents attributed to unsuitable systems fell though, from 32.63 to 23.6 in 1978, while the HSE took the fact that the causes of lack of discipline, bad operator practice and illegal man-riding had all increased as "a fairly clear indication" that either miners were les concerned with their personal safety, which would, though *the* executive does not say so, seem improbable, or that they had not received adequate training.

Indeed, the official report on the Bently colliery disaster picked out the inadequate training of the driver and conductor of the runaway train as one of the causes of the accident. Failure to follow recognised procedures and lack of discipline of men and officials were also cited as factors.

The report, though, made particular reference to equipment used to increase safety. It recommended that the driver and conductor of an underground train should be able to speak directly to one another; that emergency brakes should operate automatically if the train goes too fast; that every *locomotive* should be fitted with a speedometer; and that energy-absorbing arrestors which retracted automatically at normal *speed* but which remained in position at speeds above normal should be developed.

The NUM has acknowledged that discipline has played some part in transport accidents, though *it also sees* as major contributors unsuitable vehicles and poorly maintained track and roadways.

The NUM also points to the use of the chain conveyor *in* the pits, claiming that it was involved in two-thirds of haulage accidents underground despite the publicity and codes of practice which had drawn attention to its dangers. The number killed in using roadway *conveyors fell in 1978 from four* to three, though the number seriously injured rose from 23 to 29.

The *HSE* points out *that* a major cause is again indiscipline: eight accidents ocurred as a result of miners working on belt conveyors without *first im*mobilising them, and the executive calls for the provision and use of lock-outs, pre-start warning systems and improved communications to help prevent such accidents.

Accidents involving more general machinery, though, fell in the last recorded year to the lowest-ever level. Fatal accidents *fell in 1978 from three* to two, and serious accidents from 33 to 28. The overall trend over the past five years in this area is of falling rates of both fatal and serious accidents.

Some NUM officials, particularly Mr. Arthur Scargill, the Yorkshire area NUM president, have warned that the National Coal Board's productivity incentive *scheme* would lead to an increase in accidents.

The NCB has always denied such claims, and the HSE supports that view.

Philip Bassett

Machines push back nature's frontiers

COAL IS won as easily as nature will allow. The history of mining techniqnes in all the major coal mining countries is generally one of increasingly complex and capital intensive techniques evolving to cope with increasingly difficult natural circumstances.

Where outcrops of coal occur on or just nnder the surface, it can be got by pick and shovel: the modern, mass production equivalent is opencast. Where shallow shafts have to be sunk to exploit the reserves, the method which naturally evolved was known as pillar and stall (or room and pillar). As reserves at shallow levels are worked out, and as mineworkers go deeper to win the coal, the longwall technique is used.

These are the three major techniques available to mining companies (though there are significant variations within each technique), and that is likely to remain the case until researches into underground gasification or liqnefaction of coal bear fruit — likely to be in some decades' time.

Opencast mining is dealt with at greater length elsewhere in this survey, so this review will confine itself to an outline of the process of coal getting itself.

Opencast mining can be quite deep — 200 yards or more below the surface, if the seam is rich enough. Most opencast sites are worked to depths of at least 200 feet. The seam of coal is exposed by removing the "overburden," or earth and rock above the seam which is stacked elsewhere on the site, for later replacement. The seam itself is then dug out.

There are several ways of removiog both overhurden and coal. The simplest is with a mechanical shovel, of the same general kind as used in civil eogineering: the sbovel simply loads hurden or coal into a truck.

For deeper working, however, the distinctive "walking dragline" is employed.

A third method—the bucket wheel excavator, which is a set of toothed huckets on a powered vertical wheel—is used in countries where the burden and coal are soft (as for example, lignite mines).

The techniques of opencast workiog, especially in the UK and West Germany, have heen much affected hy environmental legislation which has required contractors to ensure that the site is left in a fit state for subsequent farming. This means scraping off the overburden in layers and replacing it in the same order, so that the soil structure is not overly disturhed.

Room and pillar techniques in deep mining produce, as the name suggests, the underground effect of cubicles supported by pillars of coal. Since the pillars support the roof—the coal being worked away between them—no roof-supporting machinery is needed. However, more coal is left in the gronnd, and more cutting and transportation machinery is needed. The technique is still practised in those countries—like the U.S.—where many workings are still comparatively sballow and where the coal reserves are large.

However, longwall techniques are generally in use in those fields—like the fields of the UK and Germany—where the workings are deep. In the longwall system, a long strip of the seam —from 150-300 yards—is opened up, and a power loader is laid against it, traversing the face, cutting the coal as it does so. In softer seams, the loader is a plough: io harder coal, a rotating drum is fitted with picks. As it is cut hy the loader, it falls on to a moving track passing in the reverse direction from the drum—it carries the coal to ooe eod of the face, there it passes on to a second track which carries it away from the coal face.

In longwall minlog, the face may either advance, taking the roadways with it: or, as illustrated, the roadways are driven to a limit first, theo the face retreats, leaving the coal to collapse hehind the workings. In either system, the working area before the face is supported by hydraulic power supports, which are self advancing.

The modern longwall face, then, is a highly automated production facility, with belt transports, sbearers, railways and powered supports packed into hot, narrow areas, producing immense noise and dust (which is damped down by water jets). The task of a face-worker on such a face is more akin to production engineering than to the heavy labouring job mining was as recently as 30 years ago: radio controlled pit props, and a new generation of shielded power supports, have continued the trend. Productivity, which had been stagnant or falling in UK pits for some years, is now improving again, in part because of a rising number of faces equipped with advanced longwall machinery.

Becausa of their lead in pioneering longwall techniques, equipment manufacturers in the UK and Germany have been able to benefit from the growing popularity of the system elsewhere in the world. For, as reserves get deeper, and as energy becomes more precious, longwall faces present the benefits of greater safety and a greater yield of coal. The number of longwall faces in U.S. deep mines is steadily rising as a percentage, while new mines in China, India and Australa now often opt for longwall.

The shift to this system has also benefited the National Coal Board, which operates a consultancy service, and has resulted in a strong outflow of UK mining expertise. Though far from fully automated, an advanced longwall face is likely to represent the highest "state of the art" in exploitatien techniques until the technology takes a jump into gasification and liquefaction techniques.

The difficulties in proceeding further are formidable. The complete automation of such relatively simple functions as welding or painting in a car plant are still not surmounted in practice: the difficulties of completely automating a face so that it could be controlled from a panel at the pit bottom, or even the surface, are much larger because the environment is more dangerous, unpredictable and liable to sudden change.

However, in situ gasification or liquefaction is thought to yield more possibilities for the future. The techniques now developed in the UK, Germany, tbe U.S. and elsewhere for oil and gas from coal are nearing the point where the first relatively large-scale experimental plants are belog planned. Once the technology is well known, it may be possible to site the plants themselves underground.

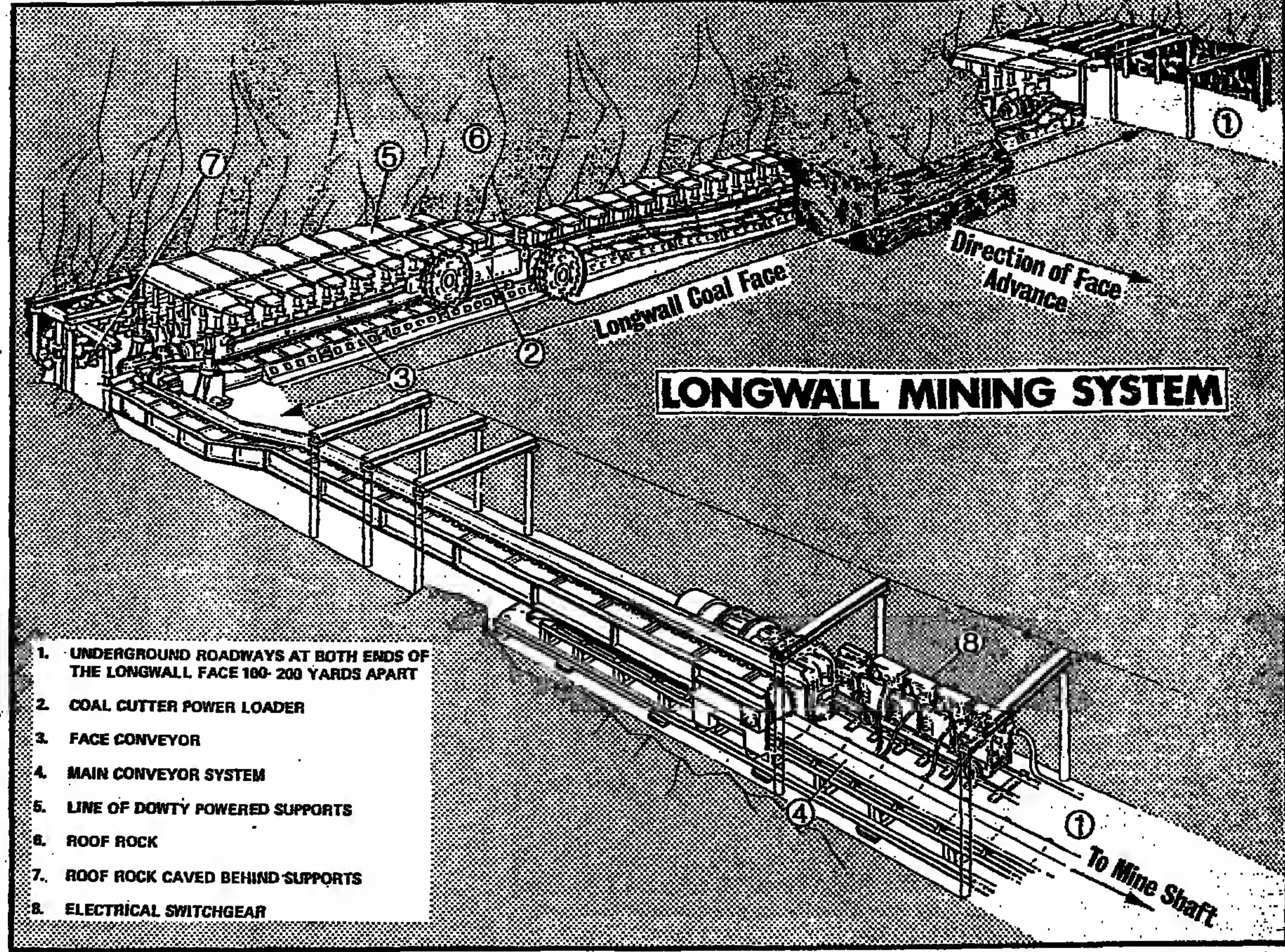
The likelihood of the prehlems in the way of such development heing overcome depends largely on the need for coal, especially as an oil/gas substitute. On present predictions, that is expected to he high. It is thus likely that continuing high levels of financing will go into research into advanced techniques, and that some will be developed successfully.

John Lloyd

Rising status of engineers

MINING ENGINEERS are seeing a rise in their status. In November, the prestigious Alfred Krupp prize for energy research, worth DM 500,000 (£130,000) was split equally between five mining equipment pioneers: Moritz Rauber, Wulff Roesler and Heiner Weher of West Germany, and Forest Anderson and James Anderton of the UK.

Mr. Berthold Beitz, chairman of the Krupp Foundation, told those gathered to see the awards presented that European mining had led the field in the development of mechanised faces. "The coal mining industry, after having been neglected, has once again become an indispensable pillar of our energy supply," he said.



European manufacturers have the edge in longwall technology, the most advanced mining system available, but American companies are striving to catch up

Britain well placed for exports drive

THE RAPIDLY growing importance of coal in the world's energy halance should ensure a hright export outlook for Britain's mining machinery manufacturers — provided they can meet the challenge posed by the strong foreign competition.

As pioneers in the new high technology of longwall underground mining, Britisb companies should be well placed to take advantage of the great expansion in the world coal-mining industry which is bound to accompany the gradual depletion of global oil reserves.

The competition is extremely tough, however, particularly from West Germany, and there can he no room for complacency in the UK. The evidence suggests that there is room for improvement in Britain's export performance.

This point is underscored hy a report publisbed today to the National Economic Development Council from its mining machinery sector working party. This says that the last few years have generally been times of low world demand for mining machinery, a situation reflected in the sector's export figures. It adds that there have been some bright features, sucb as longwall developments in the U.S., but then states: "British mining macbinery companies did not gain the amount of business that their position among the world leaders in this field might have suggested."

British exports of mining equipmeot (which is a broader definition than the Department of Industry's figures quoted elsewhere in this survey) amounted to £91.4m in 1978. Tbe U.S. was the largest purchaser, accounting for £11.7m, followed by Canada (£8m), South Africa (£5.5m) and Australia (£4.1m). Total exports in 1979 are believed to have reached £130m—a boost resulting largely from orders from China placed in 1978 and worth some £100m.

As these figures suggest, the U.S. and China are regarded as the most hopeful growth markets, with South Africa and India also figuring prominently. But none of the markets is without problems.

In the U.S., for example, the Carter energy programme has already made clear that there is an extremely bright future for coal in the long term. But in the short term the industry is hedged about with difficulties. Environmental regulations have helped produce a slower-than-expected growth in demand and coal companies at present have an excess production capacity of 100m tonnes or more.

So although there seems certaio to be a significant growth in longwall mining in the U.S., the expansion could proceed more slowly than British exporters would like. As it is, West German manufacturers have penetrated the U.S. market to a significantly greater extent than their British rivals; they are similarly ahead in Cbina, which is currently producing more than 600m tonnes of hard coal, only a third of it from fully mechanised operations.

The Chinese Government has singled out coal mining as a priority sector and embarked on a major modernisation and expansion of the industry. It is concentrating on eight major centres, mainly in the north and north-east of the country.

Late last year a trade mission from the National Coal Board (NCB) visited one of these areaa — Datung, wbere the Chinese are planning a £500m greenfield mining development.

One potential burdle in the way of further exports to Cbina is the country's shortage of finance and consequent enthusiasm for counter-trading coal and machinery. This particularly favours Japan, which needs large imports of coal, but is an unwelcome development for Britisb manufacturers.

Coal has become a mainstay of industrial growth for India, which is aiming to prodnce some 200m tonnes hy the end of the decade, nearly douhling its output. The market here will tend to he for intermediate technology, although longwall mining with self-advancing supports seems likely to be introduced in some cases to provide a planning hasis for the 1990s.

Gradual increase

South Africa is also expecting to donble its outpnt hy the 1990s from the 90m tonnes it produced in 1978. At the moment, longwall mining is practised at just three Sonth African pits, accounting for 2 per cent of 1978 sales, but is expected to increase gradually, mostly at new collieries.

How well is the British industry eqnipped to cope with this huge potential market? The past few years have seen a restructuring of its organisations to cope with the export challenge.

Britisb Coal International (BCI) was set up by the NCB two years ago to co-ordinate public and private sector activity across the field of mining exports, including equipment. It acts as a focal point for inquiries by Government departments and external agencies.

Working in conjunction with BCI is the Association of British Mining Equipment Companies (ABMEC), which was formed in 1978 through a merger hetween the Council of Underground Machinery Manufacturers, which was concerned with the domestic market, and the Association of British Mining Equipment Exporters. Behind the merger lay a helief that exports and the British home market could not he treated in isolation.

ABMEC organises both inward and outward trade missions—it has mounted two to China in the past year and one to Hnngary and Romania. It also holds technical seminars and disseminates information on overseas markets.

Although the interests of the largest UK companies and the many smaller ones which make up a large part of the sector do not always coincide, the changing nature of the world market seems likely to demand greater co-operation between manufacturers.

This is already happening on a significant scale, with smaller companies being given a lift on the backs of the large British makers with wide international contacts which head consortia.

However, the West Germans have a particularly good reputation when it somes to assembling major consortia packages—especially where green-field sites are being developed. And British manufacturers sometimes grumble—as do their colleagues across the industrial spectrum—that the Germans are able to offer better credit facilities.

Whatever the reason, the Germans at present do have a distinct edge over their British rivals, which must be cause for concero amid the generally rosy outlook.

The export potential for British manufacturers, as well as the dangers, was well summed up hy the sector working party when it concluded that "the prospects for mining machinery sales are good. The British mining machinery sector has the products and technical expertise to achieve a dominant position in world markets, although the Federal Republic of Germany companies pose strong competition and appear to work well together in pursuit of large contracts."

Martin Dickson

This 14-ton diesel locomotive was built by Simplex Mechanical Handling for the NCB. It has a twin-disc torque converter and Simplex final drive. The company's locomotives can be fitted with a variety of transmissions: more than 120 have been built with hydrostatic transmission for overseas customers

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

David Churchill talks to **Gordon Borrie,** whose influence on industrial competition will soon increase by leaps and bounds

The man who has to put the 'fair' into trading

THE title of the most powerful man in British business arguably does not rest with either of the Secretaries of State for Trade or Industry, nor with the director-general of the Confederation of British Industry.

Instead the honour (if that is the word) of being the man with most day-to-day influence over industry and commerce rests firmly on the shoulders of the Director General of Fair Trading, the top job in the Office of Fair Trading.

The present incumbent is 48-year-old Gordon Borrie (his predecessor, Sir John Methven, is now boss of the CBI) who, earlier this week, was given further powers to control misleading advertisements, but his real influence will increase by leaps and bounds next month when the Competition Bill finally becomes law.

That legislation will invest in the Director General of Fair Trading the almost total freedom to investigate any "anti-competitive" practice pursued by an individual company which he thinks may act to prevent or distort competition between companies. Since there is no precise definition in the legislation of what an anti-competitive practice actually entails, Mr. Borrie has almost unlimited scope to investigate companies in every sector of industry.

But these powers, while far-reaching on any reckoning, will only serve to complement the extensive powers already in the hands of the Director General of Fair Trading. In most cases, in fact, the legislation specifically grants the power to the Director General rather than to the Office as a whole.

These powers include:

- Granting licences to the 88,000 or so traders and companies that give credit to consumers. Some 52 cases have so far been refused a licence by Mr. Borrie.
- Referring restrictive trade practices, such as in the cement and road-surfacing industries, to the Restrictive Trade Practices Court for a decision on their legality.
- Determining whether large company mergers should be allowed to proceed, or whether they should be referred to the Monopolies and Mergers Commission.
- Referring monopolies to the Commission to decide whether or not they are in the public interest.
- Enforcing the terms of the resale price laws, which outlaw attempts by manufacturers to control the selling price of their products.
- Demanding guarantees — enforceable by law under the Fair Trading Act — of better behaviour by rogue traders.

Whether these old and new powers mean that the Director General is now too powerful, Mr. Borrie feels he is not in a position to determine objectively. He points out, however, that all his powers have been conferred by three separate administrations and confirmed by Parliament.

But critics also suggest that while there is no doubt about Mr. Borrie's own impartiality as director-general, a future government may appoint a director-general whose fairness was more open to question. Mr. Borrie is well aware of this argument, but suggests that this may overlook the checks on his powers built into the system.

Traders refused a consumer credit licence, for example, can appeal to the Secretary of State or to the civil courts over a point of law. His merger powers are only recommendations to the Secretary of State and, while usually accepted, they are sometimes refused. Late last year, for example, Mr. Borrie's recommendation that Thorn's bid for EMI should be referred to the Monopolies and Mergers Commission was rejected by John Nott, Trade Secretary.

In other areas, Mr. Borrie points out that his powers are only used to present a case to the Restrictive Trade Practices Court or to the Monopolies Commission for them to decide.

Unlike the much-hated Price Commission — which acted in some respects as prosecutor, judge, and jury—in many areas the Director General's role is only as prosecutor. Mr. Borrie is annoyed, therefore, when it is suggested that he was politically motivated in referring the Stock Exchange's rules to the restrictive trade practices court. He points out that it was his duty under the legislation to refer such restrictive rule-books and to present the case before the Court. It is up to the Court to decide if it is in the public interest.

Given the comprehensive powers available to the Director General—in spite of the checks on their abuse—it is surprising that when the position became vacant in June 1976, it was one of the few Government posts at this level to be publicly advertised. The idea was that of Mrs. Shirley Williams, then Prices Secretary, who hoped — unsuccessfully as it turned out—that it would be followed by the advertising of similar Government jobs.

Roger Taylor

Gordon Borrie: remembered for saving Match of the Day

Thus in 1976 Mr. Borrie — who at that time was safely ensconced as Professor of Law at Birmingham University — applied to become Director General. The job specification was fairly broad, so as to attract candidates from all areas. Mr. Borrie's qualifications (apart from standing twice in the 1950s as a Labour Parliamentary candidate) had been accumulated over a decade and a half of experience in the field of commercial law.

He found the impact of business on the consumer a fascinating and fruitful area for study and teaching. He particularly found the 1962 Moloney report on consumer protection of great interest and subsequently, along with Aubrey Diamond, wrote one of the standard texts on consumer law, "The Consumer, Society, and the Law." Inevitably, as consumer protection legislation developed in the 1960s and early 1970s, Mr. Borrie's career was steered even further in this direction—helped by his reputation as an articulate conference and seminar speaker on the subject.

His decision to apply for the director-general's job was a logical extension for him of his involvement in consumer law. He knew of the Office's activities from the inside through his membership of the Consumer Protection Advisory Committee, set up to advise the Government on consumer legislation.

However, once he got the job as director-general he found that it was in the process of changing away from the consumer watchdog role established by Sir John Methven. Sir John, already well-known in the business world, was able to champion the consumer's cause without causing industry to feel that he was in any way being anti-business.

Mr. Borrie, on the other hand, not only came from outside business life but he also found that he was forced to devote more of his time, and the Office's resources, to competition policy (although consumer affairs still played an important role). The shift towards competition policy, however, reflected the extension of the restrictive practices legislation in 1976 to include services as well as goods, and the growth in large-company merger activity in the late 1970s.

His philosophy decrees that whatever the colour of the Government, there will always be a need for some sort of competition policy to "oil the wheels" of the market economy. Without a competition policy, he is in no doubt that industry would revert to a very uncompetitive structure.

How far this policy should be interventionist depends on the Government of the day and the extent to which competition is lacking in the economy, as measured by such factors as industrial concentration or an imbalance between manufacturers and customers. The fluctuating level of competition, and the developing state of the economy, is ample justification, he feels, for regular reviews of competition policy.

Although Mr. Borrie has had to face some suspicion and hostility from companies over the extension of competition policy, he has consequently worked hard at building up a good relationship with business, holding informal talks with companies and being prepared to talk at their conferences throughout the UK.

His willingness to allay the fears of the business world has not suprprisingly and—perhaps unfairly—led to some veiled mutterings from the consumer camp that he has become too close to industry.

With the new powers under the Competition Bill shortly to come into force, Mr. Borrie and his senior colleagues intend to go "on the stump" around the country explaining the "positive aspects" of the new legislation. "Essentially, the message we want to get across is that we plan to use all our powers to promote competition and that it is in the best interests of efficient companies to support us," he says.

Mr. Borrie plans to point out the examples of where his office can help, such as when a price-fixing ring keeps prices artificially high or manufacturers refuse to supply certain retailers. To make competition policy work, Mr. Borrie will say, needs companies to be prepared to give information on possible anti-competitive practices.

Mr. Borrie acknowledges that there will be some stigma attached to companies singled out for investigation. But he hopes to reassure such companies that they will have ample informal contact with the Office well before any investigation is launched.

When the history of the OFT comes to be written Mr. Borrie is unsure as to how he would like his contribution to be measured. He still has 18 months of his present contract to run and would probably be willing to serve another five years. He thinks that rather than being remembered for any one act, he would like posterity to appreciate that he and the Office "adopted a fair-minded approach and acted sensibly after due consideration of both points of view."

But he suggests that the Office's action in preventing ITV gaining exclusive rights to televising football will mean "that I will probably be best remembered as the man who saved 'Match of the Day'!"

BUSINESS LAW

Parallel imports: cause for a tough approach by the Commission

BY A. H. HERMANN

IS IT fair for manufacturers to ask for the highest price they can get? Or should they not charge the affluent French more than the poorer British consumer can afford to pay?

The European Court has already decided* that a powerful supplier must not take advantage of different price levels.

But what if the supplier is not dominant in that market? In that case, it seems, there is nothing to prevent him charging a higher price in France than in the UK; what he must not do is to prevent his UK dealers from shipping to France the goods which they can sell there at a handsome profit.

It is anathema to the EEC Commission that such exports should be hindered, since it clings to the illusion that the Common Market is really a common market, and shuts its eyes to the fact that consumer prices, as well as incomes, differ greatly from one member country to another.

These issues greatly worried Robert Todd, managing director of Shriro (UK), when the lapsing of an EEC regulation in 1975 reopened the internal frontiers of the EEC to the movement of Japanese audio products. Shriro—later renamed Pioneer High Fidelity (GB)—was the sole UK distributor of Pioneer Electronic, Tokyo, one of the world's largest makers of hi-fi equipment, and Mr. Todd feared that his Japanese principals would not be pleased if he allowed the Pioneer products to seep through the reopened frontier to France where their sole distributor, Musique Diffusion Francaise (MDF), sold the same products at prices higher by between 50 and 80 per cent.

When MDF complained that retailers in France were getting cheaper goods from the UK, Todd at first denied that his UK customers would do such a thing. But when MDF placed test orders with Lasky, Emery and Comet, Todd's retail out[illegible] and obtained from them [illegible] of Pioneer products, [illegible] the ground cut from [illegible] feet." He decided to bring his customers to order. In an effort to urge them not to sell Pioneer products for re-export to France, Todd wrote to one of them, Audiotronic, on January 28, 1976: "I am well aware of EEC rules regarding parallel imports but nevertheless find it distressing that although we have worked together closely for many years you, albeit not alone, have caused my principals to look on me with a certain amount of disfavour. As a distributor yourself of a well-known Japanese product I am sure you can appreciate [illegible] feelings. I am well aware th[illegible] the solution would probably [illegible] for me to put up [illegible] prices [illegible] for the French distributor to bring his prices down.

"Unfortunately economic conditions sometimes prevent applying the obvious."

And in a similar letter sent on the following day to the Chairman of Comet he said: "I am well aware of EEC rules regarding parallel exports but quite frankly at times I am more concerned with justice than the law itself."

These letters proved to be very costly. The EEC Commission is out to punish infringements of EEC rules of competition even if these are merely a result of negligence. Here was a clear confession of intentional hindering of the parallel imports. It imposed on Pioneer High Fidelity (GB) a fine of £195,000.**

The fines imposed on other European subsidiaries of the Japanese company and on their independent distributor in France were even higher: the German company, which had [illegible] much the same for as long [illegible] German prices were lower [illegible] French was fined [illegible].

The French distributor, MDF, which was primarily interested in keeping out the influx of cheaper goods from Germany and the UK, got away with a fine of £540,000.

The Commission admits that Pioneer's European headquarters, Pioneer Electronic Europe NV, in Antwerp, did not initiate the unlawful partitioning of the market. However [illegible] passed on the complaints [illegible]

[illegible] or trading into the Community must respect the law of the Community, and Pioneer, instead of using its influence to prevent the partitioning of the market, chose actively to participate."

The fines totalled £4,414,000—the highest penalty imposed so far for the infringement of EEC rules of competition. The Commission came near this figure in 1973 when it fined 15 European sugar refineries and one sugar dealer a total of £4[illegible] but these fines were later reduced by the European Court to £1,590,000.

The Commission can impose fines up to £1m units of account (about £550,000) or 10 per cent of the total turnover in the preceding business year, whichever is the greater.

In its decision the Commission quotes Mr. Advocate General Werner who said in one of his opinions "a fine of 10 per cent of turnover may be taken to be appropriate to an intentional infringement of the gravest kind and of considerable duration.

The Pioneer Electronic Group comprising over 20 subsidiaries in various parts of the world had in 1977 a turnover of [illegible]. The published text does not reveal the turnover of the three European subsidiaries and of the French distributor but it seems probable that the fine has been calculated at a rate approaching 10 per cent of the turnover of the four enterprises.

Although the distributorship agreements made in writing are "clean" from the EEC point of view, the Commission concluded that there was an additional verbal "gentleman's agreement" between the UK and the French distributors.

How did it come to light? As usual, the Commission was alerted by a "parallel" importer who had been refused supplies. In this case it was Mr. Iffli, the owner of a large discount store in Metz, France. Together with others, he formed Connection, an organisation for bulk buying of hi-fi equipment. The majority of purchases were made from exclusive distributors in France, but considerable numbers were "parallel" imports effected through Megaservice, a sub-organisation established for this purpose. As a result, Pioneer products appeared on the French retail market with a discount of 26-31 per cent.

Heeding the complaints of the French distributor, the German distributor refused to execute an order placed by a German dealer, but intended to reach the retail organisation of Iffli in Metz through a chain stretching through Belgium to France. This action provided him with evidence which he passed on to the EEC Commission.

Another interesting aspect of this case is the role of the Japanese supplier. The prices charged to the three distributors in France, Germany and the UK were substantially the same. It seems that the Japanese company protected the French supplier, not for its own direct financial benefit, but in order not to lose to a competing supplier, MDF, which was not tied to it by any written agreement.

The distribution networks, of course, are crucial to successful business. The UK network, for example, includes the Comet Radiovision Services and the Audiotronic Group which together have some 160 retail outlets in addition to some 260 other dealers.

The importance of its distribution network made Pioneer adopt a policy of establishing wholly owned national marketing subsidiaries or joint ventures in Europe. When such a system is achieved it will be easier for the Japanese company to oppose French hostility to the importation of cheaper products from other member states of the Community.

*In its Banana Judgment No 27/76 of 14th February 1978.

** Commission decision IV/29.595 Pioneer Hi-Fi Equipment.

LOMBARD

Tangled in the subsidy web

BY GEOFFREY OWEN

IT IS IRONIC that just when the American steelmakers are stepping up their attack on what they claim is subsidised steel imported from Europa and Japan, they bave become embroiled in a private row over domestic subsidies. One point at issue is that an agency of the Federal Government, the Economic Development Administration, is giving certain steel companies help with modernisation and new investment. Wheeling-Pittsburgh, for instance, is building a new rail mill with the aid of loan guarantees from the EDA. This has infuriated some of its rivals, who complain that the taxpayers' money is being used to finance new capacity in a sector which already has more than enough of it. They havo been seeking to challenge the EDA's decision in the courts.

Export credits

A second controversy has arisen over the generous credit terms which tho U.S. Export Import Bank is said to be giving for the purchase of American steel-making equipment by developing countries, notably Taiwan. American capital goods exporters have long been pressing the Export Import Bank to be more aggressive in its lending policies and to match the terms offered by its European and Japanese counterparts. The steel makers, on the other hand, complain that such policies simply create new and unwelcome competition in the domestic market. They do not see the logic of enabling their overseas competitors to buy American-made equipment at subsidised interest rates while they themselves have to pay the market rate.

However, some of the U.S. steel companies are participating directly in this export business through the sale of technology and equipment. For them the sale of know-how and machinery to the world's newer steelmakers is a useful and growing business. In short, everyone hates subsidies except when he benefits from them.

It is all very understandable. The Americans are hardly likely to sit idly by while Mexico, which might be regarded as their natural market, hands over the development of a large part of its steel industry to Japan. It seems that the Japanese are going to finance and construct a giant steel complex at Las Truchas on the Pacific Coast. It is to be a national project, rather along the lines of the Asahan aluminium project in Indonesia, in which the Japanese Government, through the Overseas Economic Co-operation Fund, will be deeply involved. The Japanese hope that in return for help with building the steelworks and all the infrastructure which goes with it, they will have better access to Mexican oil; it is part of what has been called Japan's "new resource diplomacy."* If the project goes ahead, no doubt some of the steel will find its way into the U.S. domestic market.

The world steel industry is on a merry-go-round which is in danger of spinning out of control. New steel producers are established in the developing world with the aid of subsidies from the advanced industrial countries. The new producers, partly because they need foreign exchange, then start exporting steel at subsidised prices to the industrial countries. The older steelmakers then obtain subsidies from their own governments in order to stay alive in the face of competition from subsidised imports.

Cost reduction

Subsidies may become so deeply embedded in the world steel industry, perhaps reinforced by voluntary import controls, that the normal competitive pressures making for cost reduction, innovation and adjustment will seize up. Moreover if countries justify their intervention on the grounds that steel is too important an industry to be exposed to full international competition, the same principle will soon be applied to other sectors. Steel is a test of whether the changes in trade and employment which are bound to result from the industrialisation of the third world and from slower growth in the advanced countries can be accommodated within a liberal trading system. The commitment to that system and to the rules which go with it seems to be weakening.

** Described in the current issue of the Journal of World Trade Law (Volume 14, No. 1).*

The iris: elegance with mystery

THIS WEEK, I intend to write about a short-lived pleasure. It is not financial, nor even gourmet; still less is it female. It consists in a group of flowering bulbs which rise above the rain and snow of winter and seem none the worse for wear.

In my garden they join a white-flowered variety of Daphne as the first serious sign that spring may turn up eventually. They are the small flowering iris bulbs which need to be known and understood more than any early aconite or crocus.

Each week, European readers write to complain that I imply that English gardens are more fortunate and more artistic than any others in the world. I happen to believe this, a view which travel only confirms in my mind.

Diversion

It is scarcely a month since I was told that New York's botanic gardens were the finest on earth. A long diversion to see them left me with time on my hands in a second-rate expanse of glass, matched by most suburban conservatories. I was reminded of the eskimos in Greenland, men who claimed, when first discovered, that they lived in the most favoured corner of the world. Life elsewhere, they believed, had long since ceased, so theirs was the finest available. When New Yorkers tried to tell me that Central Park was a landscape garden, I knew better than to believe a word of it.

Bulbous irises, however, are not an English success story. Every year, we gardeners in England buy them quite cheaply from Holland's wholesalers who price them at a level which implies contempt. A hundred iris reticulata cost less than the price of a rail ticket to the next station, yet no sooner have they flowered and flourished for one year than they disappear.

These bulbs, says a noted catalogue, should be grown as annuals—an open confession of defeat. I do not care for post-mortem examinations in the garden, but these disappearing irises are such a puzzle that I have tried to analyse them over the years.

First, I must remind you of the irises to which I refer. I am not complaining about the perennial winter-flowering irises whose clumps of grassy leaves thrive in dry flower beds and poor soil. These flower freely wherever they are warm and starved. The bulbous ones are more delicate, some six inches high in shades of blue and purple before the long leaves outstrip the flowers in late February and stand untidily among the first primroses.

A group of six or so makes an impact. The flowers stand out like elegant butterflies before anything else is in leaf. They show up so well that you do not need a mass of them. The varieties are rather bewildering, so I will sort out the best before turning to their problem.

Not many gardeners realise how sweetly these reticulata irises are scented. I have tried them all and think that two of them are exceptional, Jeannine and J. S. Dijt. The former is prettier, a violet blue with bold orange markings on the falls. The latter is distinctive, a maroon-purple which I like rather less. These scents are especially sweet if the bulbs are grown in a pot, where they should be planted in September at a depth of two inches. When the buds form, you can bring them into the house.

Among the less scented varieties, I recommend Harmony, a charming mid-blue whose falls are slightly rounded and marked with yellow. Harmony has the merit of short leaves which appear with the flowers and do not sprout high above them. Plain reticulata is let down by its lanky leaf if you choose it for pots indoors. Harmony is a better buy here.

For colour alone, I like the reliable Joyce and the unfamiliar Pauline. Joyce is an even shade of sky blue marked with orange red on the falls. She flowers strongly and does not fail. Pauline is spectacular, showing flowers of a dusky purple-pink which are set off by a notable white spot.

It is worth paying a little more for these named varieties. Their colours are more conspicuous, though the flowers are characteristically shaped, holding three central petals upright like dogs' ears among the outer pairs, which stretch out horizontally and are pursed like lips. Broadleigh Gardens, Barr House, Bishops Hull, Taunton, Somerset, are an excellent source of supply. Ten bulbs each of the varieties I mention would have cost you a mere £4 this past year.

Whether they will last for a second year is another question. In Europe, clearly, they will: hence the abundant stocks from Holland in the lists of importers who buy them cheaply and well from their preferred European countries.

In England, they suffer two fates. Sometimes the bulbs and their netted coats rot through and turn black and soft. They are suffering from a disease which is a hazard of the game. You can weed out the dead stock if you lift your bulbs and check them yearly, but there is no certain prevention, in my experience. Otherwise, you must reckon with bulbs which split and dwindle. They separate into five or six lesser bulbs, no bigger than pellets, after their first year's flowering. These little bulbs can be grown on slowly to flowering size after several years, whereupon they will split again into tiny parts. It is most frustrating.

Nobody seems to know how to stop this. In the wild, reticulata irises grow on well-drained slopes in a light and lime-ridden soil. Lime, certainly, is to their taste, but in England the best growers suggest that you should choose a shaded site with deep, rich and not too dry soil. Among the recipes, a hot and sandy home has now gone out of favour and indeed it never proved itself with me.

The richness of soil, I suspect, is critical, but I have never been able to time any feeding through the leaves to support it to good effect. When I begin to feed, the bulbs are already splitting. Earlier, no leaf shows at all which can be fed. If anyone has an answer to this, we would all be glad of it.

For continuity, you have two options, apart from replanting your bulbs afresh every year. You can try the damp and well-drained site in shade, remembering that this iris hates to sit in sodden soil. Or you can pay a little more and buy the toughest and finest in the group, the variety sold as Histrioides Major. At about 20p a bulb, this is still a superb buy. Its flowers are the usual shape, a deep and bright blue, very large and marked with the white spot which distinguish its relation, Pauline. It's paler cousin, Histrio, is just as good and stands the roughest winter weather.

Mix a chemical fertiliser round these bulbs when you plant them and you will find they are more persistent than most in the family. I have kept a group of them for five years now, a few bulbs only but so bold and blue in flower that they show up across a lawn and go as far to warn me of spring as 50 crocus of a similar shade.

GARDENS TODAY

BY ROBIN LANE FOX

Leading novices clash at Ascot

RACING

BY DOMINIC WIGAN

RACEGOERS have some fine racing in prospect today at Ascot, where all six races, including the closing event, an amateur riders' race, are well endowed.

Although the Whitbread Trial Chase with £8,000 in added prize-money carries the largest purse, the most interesting event for many will be the Reynoldstown Novices Chase over three miles, 35 minutes later.

Here Ballydonagh and Little Owl from the North come down to meet, among others, Henry Bishop, trained by Josh Gifford, and Fred Winter's course-winner Hectare.

It is difficult to assess the merit of the Raise You Ten seven-year-old Ballydonagh. A 20-lengths winner of a poorly contested novices event at Southwell on November 1, Ballydonagh went on to take a similarly modest event at Hexham eight days later, before accounting for smarter opponents after a good break at Wetherby on Boxing Day.

There, Ballydonagh beat Solby by two-and-a-half lengths at level weights in the valuable John Haggas Memorial Novices Chase over three miles. In his only race since completing that profitable hat-trick the Harewood seven-year-old looked quite capable of taking a hand in the finish to Newcastle's Dipper Novices Chase until an uncharacteristic mistake put paid to his chances at the 11th fence.

That event went to Little Owl, who, considering it was his first appearance over the larger obstacles, did extremely well to beat Peterhof.

While Ballydonagh and Little Owl have been impressing in the North, Findon's New Zealand-bred Henry Bishop has been improving all the time farther south. He, too, is something of an unknown quantity but his chance must be respected following a quick hat trick. Henry Bishop receives 4 lb from those Northern opponents.

I have always liked Hectare, who made short work of 14 rivals in a novices' chase at Devon in November and, although the brown gelding disappointed at Cheltenham recently following a highly creditable effort behind Narribinni at Chepstow.

In what seems sure to be a highly informative Cheltenham trial, Hectare is taken to cause an upset. Ballydonagh may follow him home.

ASCOT

1.30—Knighthood
2.00—Netherton
2.30—Owen Glin*
3.00—Kenlis**
3.35—Hectare***
4.10—Strathclyde

TV/Radio

BBC 1

† Indicates programme in black and white

7.05-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Playboard. 2.01 For Schools, Colleges. 3.25 Children's Wardrobe. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Take Hart. 5.00 John Craven's Newsround. 5.05 God's Wonderful Railway.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 Bugs Bunny's Valentine Special.
7.25 Olympic Grandstand live from Lake Placid: Opening Ceremony of the XIII Winter Olympic Games.
9.00 Party Political Broadcast by the Labour Party.
9.10 News.
9.35 "The French Connection Number 2," starring Gene Hackman.
11.30 Weather/Regional News.

All Regions as BBC 1 except as follows:—

Wales — 11.02-11.22 am I Ysgolion. 5.05-5.40 pm Bilidowcar. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 11.30 News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.30 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.30 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
11.00 Play School.
1.45 pm Racing from Ascot.
4.50 Open University.
5.40 Cartoon 2.
5.50 Pride and Prejudice.
6.45 The Master Game.
7.15 Mid-evening News.
7.25 Mr. Smith's Indoor Garden.
7.50 Midweek Musical: "Cover Girl," starring Rita Hayworth and Gene Kelly.
9.35 Arena.
10.10 Grasmere Sports.
10.40 Party Political Broadcast (as BBC 1 9.00 pm).
10.50 Newsnight.
11.35 Open Door.

LONDON

9.30 am Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 The Squirrels. 2.00 After Noon Plus. 2.45 The Outsiders. 3.45 Hobson's Choice. 4.15 The Sooty Show. 4.45 Spiderman. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Vary Like a Whale.
9.50 Party Political Broadcast on behalf of the Labour Party.
10.00 News.
10.30 Frank Sinatra: The First Forty Years.
12.20 am Close: Andrew Cruikshank reads from "Through the Year with J. B. Phillips."

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 1.30 Winners and Losers. 2.45 Houseparty. 3.16 Money-Go-Round. 4.45 White Light 6.00 About Anglia. 12.20 am The Big Question.

ATV

12.30 pm The Electric Theatre Show. 1.20 ATV Newsdesk. 1.30 Stars on Ice. 2.45 The Love Boat. 4.45 White Light. 6.00 ATV Today. 12.20 am ATV Newsdesk. 12.25 1980 Batlin's Grand Masters Darts Championships.

BORDER

1.20 pm Border News. 1.30 Wildlife Cinema. 2.45 Houseparty. 3.15 Money-Go-Round. 4.45 White Light. 6.15 Happy Days. 8.00 Lookaround Wednesday. 12.17 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 2.45 The Electric Theatre Show. 3.15 Money-Go-Round. 4.45 White Light. 6.00 Report at Six. 6.50 A Chance to Meet . . . Desmond Morris. 10.28 Channel Late News. 10.32 Frank Sinatra: The First Forty Years. 12.20 am Epilogue followed by News and Weather in French.

GRAMPIAN

8.25 am First Thing. 1.20 pm North News Headlines. 1.30 The Rolf Harris Show. 2.45 Houseparty. 3.15 Money-Go-Round. 4.45 White Light. 6.00 North Tonight and Area Weather Forecast. 12.25 am Reflections. 12.25 Living and Growing. 12.55 North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Stars on Ice. 2.00 Live From Two. 2.50 Money-Go-Round. 3.20 The Wild, Wild World of Animals. 4.45 White Light. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Happy Days.

HTV

1.20 pm Report West Headlines. 1.30 Stars on Ice. 2.45 The Love Boat. 4.45 White Light. 5.15 Bugs Bunny Nips the Nips. 6.20 Crossroads. 6.00 Report West. 6.30 Three Little Words.

HTV Cymru/Wales—As HTV West/HTV General Service except: 1.20 pm Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45-5.15 Ni A Nhw. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Bywyd. 11.15-12.10 am Westside Medical.

SCOTTISH

1.20 pm News and Road and Weather. 1.30 One in a Hundred. 2.45 The New Avengers. 4.45 White Light. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Emmerdale Farm. 12.20 am Late Call.

SOUTHERN

1.20 pm Southern News and Weather. 1.30 Stars on Ice. 2.45 Houseparty. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Mid-week (South-East area only). 12.20 am Southern News Extra.

TYNE TEES

9.20 am The Good Word followed by North-East News Headlines. 1.20 pm North-East News Headlines and Where the Jobs Are. 2.45 Let the Music Take You. 3.16 Money-Go-Round. 4.45 White Light. 6.00 North-East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 12.20 am Epilogue.

ULSTER

1.20 pm Lunchtime. 1.30 Stars on Ice. 2.45 Money-Go-Round. 3.15 How's Your Father? 4.13 Ulster News Headlines. 4.45 White Light. 5.16 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 12.20 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Electric Theatre Show. 3.15 Money-Go-Round. 4.45 White Light. 8.00 Westward Diary. 10.28 Westward Late News. 12.20 am Faith For Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

10.35 am The Firing Jewels. 11.04 For Schools (continued). 1.20 pm Calendar News. 1.30 Stars on Ice. 2.45 Three Little Words. 3.15 Money-Go-Round. 4.45 White Light. 6.00 Calendar (Emley Moor and Belmont editions). 12.20 am Barney Miller.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Radio 1 Mailbag. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Colin Berry (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) (continued). 8.03 John Dunn (S). 9.02 Listen to the Band (S). 9.45 Alan Dell with The Dance Band Days. 9.15 The Magic of the Musicals (S). 9.55 Sports Desk. 10.02 News Huddlines with Roy Hudd. 10.30 Eddie Bracken says Be My Guest. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Rachmaninov (S). 10.00 Music for Organ (S). 10.35 Edward Cowie's Gesangbuch (S). 11.30 Hungarian Orchestral Music (S). 1.00 pm News. 1.05 Concert Hall (S). 2.00 Music Weekly (S). 2.50 Fifty Years of British Music (S). 3.30 Bach, Mozart and Schumann (S). 4.20 Aspects of the Blues. 4.55 News. 5.00 Mainly for Pleasure (S) (‡ and mono only from 6.20). 7.00 Music Now. 7.45 Gustav Leonhardt harpsichord recital (S). 8.00 Busoni: "Doktor Faust," Prologue and Scene 1 (S). 9.35 Six Continents. 9.55 Busoni: "Doktor Faust," Scenes 2 and 3 (S). 10.50 Poetry Now. 11.10 Building a Library of records (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-week with Russell Harty. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Four Frightened People. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.27 Double Act. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.16 Afternoon Theatre (S). 4.00 Choral Evensong (S). 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 6.55 Weather; programme news. 8.00 News. 8.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 On the Town in Amsterdam. 8.30 A Sideways Look At. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. News. 10.30 The Life and Times of the Orchestra (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Tony Blackburn Telephone Programme. 1.03 pm London Live. 3.03 John Teogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

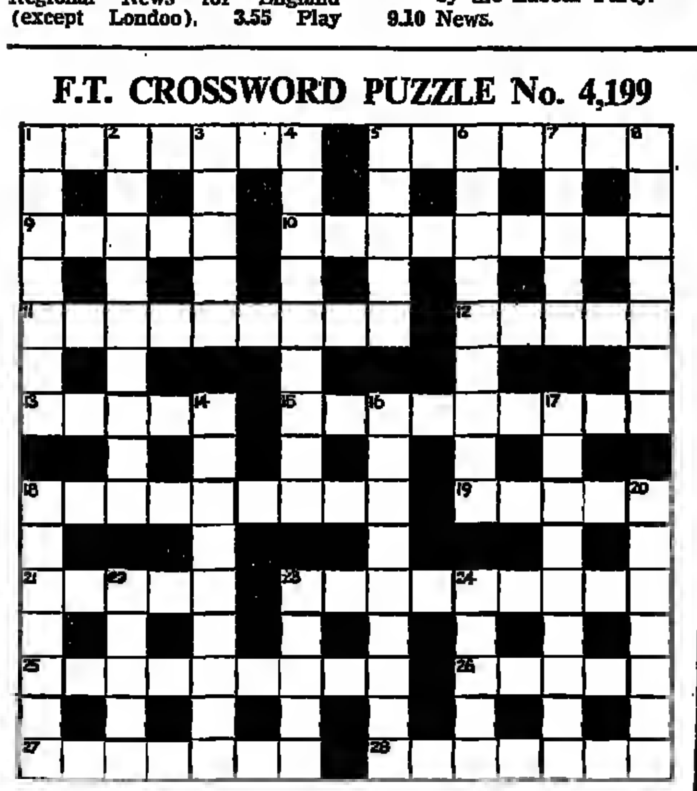
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Jazz After Eight. 8.00 Jenny Lacey—Nightline. 12.00 LBC Reports Midnight. 1.00 am Carol Allen—Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm John Sachs (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,199



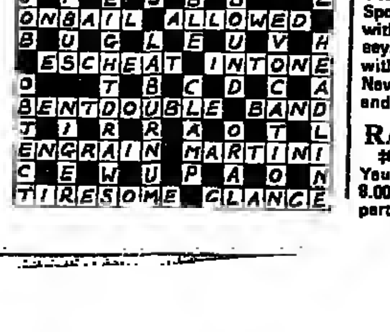
ACROSS

1 Soldier comes back in formal uniform to introduce irrelevant matter (7)
5 Bird returns to leave a small quantity (7)
9 Women's leader to suspend and flog (5)
10 Copy professional and olim outside (9)
11 Empty talk and witty answer in chamber where fuel is made (3-6)
12 Large broken grate (5)
13 Cook first of risottos in front of oven (5)
15 Contract to requisition river (9)
18 Incidental illustration in window by the door (9)
19 Whip round for French boy trainee (5)
21 Ornament German article about small company (5)
23 First principle in a note giving cause to sprout (9)
25 Leg in rope that may be scaled (9)
26 Figure to turn up with a spade it follows (5)
27 Go back to show right way out (7)
28 One who proposes health to Daisy (7)

DOWN

1 Do bet it may be an elderly imposing lady (7)
2 Animal left in magnificent pasture (9)
3 Standard the golfer tries to achieve (5)
4 Grieving thus over brawl in ring (9)
5 Nothing in small department store (5)
6 In wind-instrument one note is not naturally developed (9)
7 Look to exploit insect (5)
8 Scene of operations both medical and military (7)
14 Tore label apart but it's fair (9)
16 Prevent chap making cleansing agent (9)
17 In revolt over drink and rising current (9)
18 Transport for a cocktail (7)
20 Small speaker is to move unsteadily around the west (7)
22 Start catching fish and bold on (5)
23 Opera-hat for soldier on public transport (5)
24 Asian republic appearing in certain diagrams (5)

Solution to Puzzle No. 4,198



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

CLASSIC POLY, Oxford Circus (Upper Regent Street) 637 9863. A DIFFERENT STORY (AA). 1.50 (not Sun.), 5.20, 8.40. THE PRODUCERS (A). 3.40, 7.15.

CLASSIC 1, 2, 3, 4, Oxford St. 01-636 0310 (opp. Tottenham Court Rd. Tube). 1: FINAL DAY! James Brolin. THE AMITYVILLE HORROR (X). Full Stereophonic sound. Prgs. 1.00, 3.25, 5.50, 8.20.
2: Clint Eastwood ESCAPE FROM ALCATRAZ (AA). Progs. 1.40, 4.00, 6.20, 8.40.
3: Woody Allen MANHATTAN (AA). Progs. 12.30, 2.30, 4.50, 6.50, 8.50.
4: THE HUMAN FACTOR (AA). Progs. 2.00, 4.50, 7.55.
5: THE LORD OF THE RINGS (A). Sep. perfs. 2.00, 5.00, 8.00.

CLASSIC, Leicester Square. 930 6915. ROCK 'N' ROLL HIGH SCHOOL (AA). EAT MY DUST (AA). Progs. 12.45 (not Sun.), 2.20, 4.00, 7.20.

CURZON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.00, 6.20, 8.40.

ODEON HAYMARKET (930 2738-2771). Jill Clayburgh in Bertolucci's LA LUNA (X). Sep. perfs. Wks. 1.45, 5.05, 8.10.

ODEON LEICESTER SQUARE (930 6111). THE BLACK HOLE (A). Sep. perfs. dly. 1.45, 5.00, 8.15. All seats may be booked at Box Office or by post.

ODEON MARBLE ARCH W2 (723 2011-2). ONE FLEW OVER THE CUCKOO'S NEST (X). Sep. progs. Sun.-Fri. 3.45, 7.40. Sat. 1.15, 4.40, 8.05. Evening perf. and Weekends may be booked in advance.

PRINCE CHARLES, Leic. Sq. 437 8181. World Premiere Presentation NIGHT GAMES (X). Sep. perfs. dly. (inc. Sun.) 12.20, 2.45, 5.55, 8.35. Late show Fri. & Sat. 11.15. Seats bkble. Lic'd bar.

STUDIO 2, 3 & 4, Oxford Circus. 437 3300. Lic'd Bar.
2: "10" (X). Progs. 12.30, 2.45, 5.25, 8.05. Late Show Sat. 11.00.
3: THE DEER HUNTER (X). 12.45, 4.05, 7.30. Late Show Sat. 10.58.
4: APOCALYPSE NOW (X). Sep. Perfs. Dly. 1.45, 4.50, 8.00. Late Show Sat. 11.10. Seats Bkble.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W. 629 6176. 170th ANNUAL WATER COLOUR EXHIBITION. Until 18 February. Mon.-Fri. 9.30-5.30. Thurs. until 7.

BLOND FINE ART, 33, Sackville St., W1. 437 1230. BRITISH WATERCOLOURS 1910-1960.

BROWSE & DARBY, 19 Cork Street, W1. 734 7984. ANNE ESTELLE RICE 1879-1959. Paintings till 6 March.

CRANE KALMAN GALLERY, 178, Brompton Rd., SW3. 584 7566. MARY NEWCOMB—Recent Work. Until 29 Feb. Mon.-Fri., 10-6. Sats. 10-4.

FIELDBORNE GALLERIES, 63, Queens Grove, NW8. 586 3600. Paintings SPEAR, GORE, WOLFE, WEIGHT, ROSOMAN. Graphics SIDNEY NOLAN, CERI RICHARDS, JOSEF HERMAN, PETER COKER.

LEFEVRE GALLERY, 30 Bruton St., W1. 01-493 1572-3. 19th & 20th CENTURY PAINTINGS AND DRAWINGS on view. Mon.-Fri. 10-5.

MALL GALLERIES, The Mall, SW1. CONTEMPORARY YUGOSLAV ART. Mon.-Fri. 10-5. Sats. 10-1. Until 14 Feb. Adm. Free.

MARLBOROUGH, 6, Albemarle St., W1. STEPHEN EDLICH. Recent paintings and collages. Mon.-Fri. 10-5.30. Sat. 10-12.30.

OMELL GALLERIES, 40, Albemarle St., Piccadilly, W1. FINE 20th CENTURY BRITISH EUROPEAN PAINTINGS. Many delightful subjects, including always GREAT SELECTION OF MARITIME PAINTINGS by outstanding Artists but at REALISTIC PRICES.

REDFERN GALLERY OSBERT LANCASTER A Retrospective Exhibition. February 5-27. 20, Cork Street, London, W1. Mon.-Fri. 10-5.30. Sats. 10-12.30.

SANDFORD GALLERY, Covent Garden; 1, Mercer Street, Long Acre, WC2. Mon.-Sat. 11-6. JOHN BRATBY RA, 30 year retrospective. 270 WORKS.

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GARGOYLE, 69, Dean Street, London, W1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Shows at Midnight and 1 a.m. Mon.-Fri. Closed Saturdays 01-437 6455.

THE ARTS

هكذا من الأصل

Covent Garden

Month in the Country

by CLEMENT CRISP

On Monday Merle Park assumed the role nf Natalya in *A Month in the Country* for the first time, bringing to the part exactly the maturity and elegance of manner that it needs. Women, rather than girls, are too rare in the halletic repertory, which puts a premium on dewy innocence rather than adult feelings. As with her superlative portrayal of Larisch in *Mayerling*, Park shows Nstalya as a woman of passionate temperament. *Month's* more domestic aetting imposes certain stylistic restraints, and the clarity of Ashton's language refines emotion, hnt the role is resonant, challenging, and Park catcbes all its nuances.

Leonard Burt

Merle Park in 'Elite Syncopations'

Very indicative of her sensitivity was the way she presented the duet with Belyayev to the *andante spianato*. Ashton seems to fit tbe eddies of Natalya's feelings to the *fioroturi* of the piano writing, and Park was entirely at one with the curves of the dance as with the flourishes of the music. The tensions, the yielding to gusts of passion, were beautifully, precisely sbown.

The entire casting, indeed, had the closest identification with Ashton's imaginative world: Mark Silver manages well the gauche cbarm of Belyayev; Wendy Ellis, new to me this season as Vera, understands tbe impulsiveness and nervous force nf the girl, and dances with radiant hrightoess of means. And in Philip Gammon the Opera House gives us a fine pianist alert to hoth the hravura and the rhythmic colouring in Chopin'a Polish airs.

Merle Park was also merrily involved in the closing *Elite Syncopations* (the programme having started with that dead choreographic duck, *Four Schumann Pieces*). Given by the company with welcome coolness, which allows the dance to make its jokes unembellished, the ballet cootinues to be great fun, Park and David Wall playing with glassy assurance, and Wendy Ellis and Michael Batchelor being particularly charming as the ionoceots of *Golden Hours*.

Television

Playing it fair

by CHRIS DUNKLEY

Richard Denton's excellent documentary series *Public School* which reaches the half-way mark with its fifth programe on BBC-2 tomorrow night is currently supplying us with a descriptioo of a particular sort of institution; a description which, in its detail and its methods, is closely akin to the series *Sailor* and *Hospital*. The similarity is not especially remarkable since Roger Mills, who is executive producer of this current series about Radley College, was in charge of the department which also made those earlier series about the Ark Royal and Bolton General Hospital.

What is remarkable is that whereas *Sailor* and *Hospital* (and to a smaller extent the police series *Hong Kong Beat*) attracted widespread admiration for the abilities of their film crews, the thoroughness with which the subjects were anatomised, and the honest way in which the producers conveyed the reality of the institutions to the viewer, *Public School* despite being made in a strictly comparable fashion has attracted more humbug from commentators and critics than any television series since Paul Watson's *The Family* in 1974.

That production was also a "fly on the wall" effort and, significantly, was also perceived by those whom it enraged as being concerned with a subject which could hring tbe idea of class distinctions into question. So too with reactions to *Public School*, and the most interesting aspect is that many of those who have reported on the seriea through distorting spectacles or the wrong end of their hinoculars have proved previously to be astute and level-headed observers of the world.

Thus Joan Bakewell, who has hetter reason than most to understand the way in which television series proceed, complained after just two episodes that they had not sbown "what happens to a community so introverted and so entirely devoid of women," that there bad been no look at "tbe lonely boy, the failure and the unhappy" and "no hint of criticism or serious analysis withio tbe school or without."

It would indeed have been odd and reprehensible if such a series had not dealt with the question of women hut, quite predictably, a whole programme has since heen devoted to the matter. Moreover the subject was covered so frankly—pio-ups may show breasts and bottoms but no more, after school dances couples do wander off to the rugger pitches and so on—tbat it will no doubt have given secood thoughts to the pareots of would-be pupils who are presumably watching avidly. It will be disappointing but astonishing too if Denton does oot atteod to the husiness of loneliness, failure and unhappiness before the series is out.

The intriguing question is *why* Jnan Bakewell's reaction was so vigorous? And why did Philip Purser, one of our most consistently admirable critics, say in the *Sunday Telegraph* "We don't *need* public schools, but I suppose it is quite selfless of the rich to put their dimmies away so they won't hold back our children in the comprehensives?"

Why has documentary producer Philip Donnellan claimed in a letter to *The Listener* that the BBC is "broadcasting high quality film propaganda in favour of educational apartheid?" Does he mean BBC1's *Grange Hill*? Certainly that drama series about life in a comprehensive school is very well made — some teachers swear it is an accurate portrayal —and it is quite enough to create "educational apartheid" by convincing any anxious viewers who can afford to that they should save their children from such vicious aod uncivilised institutions at almost any cost. Yet I suspect Donnellan means *Public School*.

So why all the vituperation? The aoswer, surely, is that Denton's series has not reinforced the *idée reçue* accepted enthusiastically hy so many among the middle-class intelligentsia — that public schools are in the husiness nf producing lonely homosexual snobs—in the way they hoped it would.

On the contrary, *Public School* has shown that a lot of Radley hoys are gregarious, vigorously heterosexual, politically aware, and often humorous—in fact quite unlike the image of the chinless wonder which is so assiduously fostered during those reductionist-egalitarian conversations about the awfulness of class distinction, which always occur at socially exclusive dinner parties peopled by doctors, architects and journalists.

Parent and teacher enjoying a joke on parents' day in a scene from 'Public School'

So far the series has shown us the intake of new hoys at the start of a year; the working habits of one ol those teachers who patronise (and sometimes terrify) children with a mixture of pompous humour and insult; something of the life including the political aod social attitudes of the headmaster; and last week's amazingly frank coverage of necking at the sixth-form dance, homosexuality, masturbation, fornication and plaio ogling.

The camerawork of David Feig, Mike Southon aod Paul Houlsten has been so adept—as we have come to expect all too unthinkingly with this sort of programme — that subjects and viewers seem to have heen equally unaware of them. Likewise Chris King's sound which has been almost wickedly effective at times.

If the series carries on in the same vein then at the end of 10 episodes we are gning to have an outstandingly clear idea of how life goes oo at Radley, and that is no small achievement. Conveying that sort of information direct to the viewer without any iotervening reporter is not just a questioo of doggedly pointing a camera and continuing to shoot white hoping you are in the right place, as *Blue Moon* in the "Omnibus" slot proved last week. That *verité* account of the way Paris's oldest strip review bumped aod ground to a halt was powerfully atmospheric but infuriatingly uninformative. It showed without telling.

It may be argued that Francis Gérard's *War School* which eoded last week, a BBC1 series not entirely dissimilar to *Public School*, definitely did include a critique of its subject, but then it clearly set out with different inteotions and consequently different methods from Denton's at Radley. *War School* was intent upon conveying the philosophy of Geoeral Frank Kitson and, extending from that, the ethos of the Army Staff College.

To do so it used reporter Michael Cockerell to bowl questions of the "some people accuse you" variety (too often slow, under-arm and begging to be hit for six) at the officers. We learned that they were no mere debs' delights either, and a set of coherent attitudes and thoughts did come across. Yet we were left with precious little idea of Camberley as an institution: little about the food, the beds, the pecking order, the nightlife and so on—hut then that was presumably never the aim.

Conversely the aim in *Public School* does seem to be the achievement of precisely that sort of detailed diagram of institutional life. To complain that there has been no criticism of the principle of fee-paying education is a little like hurling abuse at a Tube map for its failure to include properly adverse comment about overcrowding ou the Northern line.

Having said all that, however, it must be admitted that when television does try to conduct its audience around the moral, political, aesthetic, or philosophical arguments which surround such matters as class distinction it is never as successful as it is with the physical manifestations. The special *Panorama* called "Them And Us" which was supposed to deal with "the bitter conflicts that divide our workplaces" was a prime example.

For a start it should oever have heeo put on the screen in the form we had to endure because most of it said more about the problems of the programme makers and their unfortunate choice of "behaviour experts" to run the shooting match than it did about the nation's work difficulties. Second, even if it had been edited to a reasonable length it would have failed because what was apparently seen by the producers as an equation actually had only one side: the highly motivated, be they members of management or activist trade unionists. The vast majority of working people were simply nnt represented. And third, even if that error had been rectified it seems unlikely that the programme would have achieved much more than televisioo's previous talk-ins — which is little enough.

That is not a plea for fewer such experiments: one hopes there will be more. But perhaps they could be assessed internally and a useful formula fouod hefore the oext one gets on the screen. Meanwhile, *Public School* deserves praise for what it is: an expert series of descriptive documentaries.

Elizabeth Hall

Madrigals of love and war

by MAX LOPPERT

The Monteverdi recital given on Mooday by the Schütz Consort of London and the Londoo Baroque Players offered a haodsome selection from the Eighth Book of Madrigals, the *Madrigali guerrieri ed amorosi*. As in all of Roger Norrington's Monteverdi explorations, both in the concert hall and with Kent Opera, this was a "pioneering reconstruction" (the phrase is the conductor's own) of performing style of the composer's day.

The pioneering went beyond the now customary use of single voices to a part and a small ensemble of period instruments, to attempt solutions to questions of authentic vocal style—questions of vocal timbre (how much vocal vibrato? how much *voce bianca*, in the modern sense of the term?), vocal phrasing, and vocal-instrumental balance. The Consort (a group of familiar faces on the London professional circuit) and the Playersare not yet so "authentic" as to dispeose with Mr. Norriogton's baton or to depart from modern pitch — perhaps these are reserved for future piooeering?

It was an enthralling abundant concert. 1638 was the year nf publication of Book 8; *Ulisse* and *Poppea* are ooly a step away. This datum was constantly in one's mind: for the effect of Mr. Norrington's concentrating and lighteoing of the vocal lines was to assert as seldom before the explicitly dramatic impact of Monteverdi'a word-settings. The sense, in several of the madrigals, of a scene set and played out before our ears, as it were, was very strong; and this despite the fact that without the participation of Italian natives an essential element nf verbal (and therefore dramatic) authenticity must always be sacrificed. (The diction coach Ubaldo Gardini was credited in the programme, and rightly, fnr the Italian words were far more forward than usual; even so, in such things as Neil Jenkins' solo Entrata in the Ballo, *Volgendo il ciel*, the proper cut and thrust was felt to be missing.)

A matter of individual vocal quality also needs to be raised. Strong artistic personality is reckoned by the conductor to have been a vital part of the original vocal style, yet from these admirably musicianly performers it was only intermittently in evidence. "Operatic" vividness, not necessarily of the Puccinian kind but such as Sarah Walker shows in the Kent Opera *Ulisse*, was wanting from several — not all — of the solo contributions; and though the voices were all able to focus exactly on the notes, the timbre was not invariably colourful and caressing. The disagreeable edginess of the second tenor often broke through the framework of the madrigals.

But enough of carping: there were memorable performances nooe the less. In the magnificent Petrarch setting, "Hor che'l ciel e la terra," the eight voices combined with razor-sharp clarity—by such effects as when, in describing the "hushed wind," the homophony gives way to a single voice plaintively left sustaining a long A, we judge the pictorial expressivity of the music. Has music ever again been so flexible, so quick to create dramatic suggestioo, so *new* in its direction, as that of Monteverdi's old age? The "love" madrigals provide the richer opportunities to appreciate the pictorial subtleties. Even so, the *stile concitato* of the warlike moods was never allowed to become wearisome, for Mr. Norrington's comprehension of the dramtic conceits in and beneath the drumming rhythmic figures and bellicose vocal imitations of "Altri canti di Marte" and the two-tenor "Se vittorie si belle" removed all threat of the merely mechanical.

Museum of Mankind, Burlington Gardens, W.1.

Art made for strangers

by CLIVE JORDAN

The Museum of Mankind's exhibition of Haida Indian art is a testimonial to ona of the most successful tobacco promotions of all time. Europeans brought back tobacco from Eastern America, and subsequently traded it to a number of previously non-smoking American peoples, among them the Haida, a small coastal Indian group on Queen Charlotte Island (where Canadian British Columbia now meets American Alaska). From the first eighteenth-century contacts, the whites — Spanish, Russian, British and Yankee — sought only one thing from the Haida and their neighbours: the valuable fur pelt of the sea otter, which could be traded for tea and silks in China. By the early 1800s, the Haida were avid consumers of Europe's metal tools and tobacco, but the sea otter had been trapped to virtual extinction. What else could tha Europeans be offered?

What the Haida found was *argillite*, a soft, heavy black shale, mined in only one jealously-guarded tribal quarry, which they already used for making some of their own pipa bowls. The Indians had not failed to observe that those early explorers who escaped being eaten by tha region's cannibals usually took some Indian object home with them. So the Haida, drawing on a rich tradition of carved totem-poles, masks and sleek ocean-going canoes, set about carving easily portable argillite souvenirs. Ironically these included an immense variety of highly decorativa pipes.

Some of the best bave found their way to the Museum of Mankind, together with carved figures, plates and miniature totem poles. Almost none were carved for tribal use hut all, even the smallest, possess a sculptural power Westerners have easily appreciated. The Museum of Mankind exhibition valuably outlines a chronology of Haida souvenir carving in argillite, or "black jade," as it has sometimes been called. Totem poles, true family trees asserting a chief's descent from spiritually powerful clan emblems like the raven, bear or wolf, became popular subjects for argillite carving only towards the end of the 19th century, when the magic of the real things had been weakened by missionary influence.

The Haida carved what they knew and saw, and were eager for fresh subjects. Later pipes and European-style plates depicted white men, their women and housea, and used motifs adapted from the rigging, figureheads and paddle-wheels of ahips, the eagle from American coins and even the label from a sarsaparilla bottle.

These Haida argillite carvinga reveal something of the Indiaos' own majestically sombre imagination, and also their vision of the intruder. North West Coast artists sometimes included Europeans on their house totem poles to make them look ridiculous, which may be the motive behind one carving on diaplay. It portrays what appears to be the archetypal henpecked hushaod: a full-skirted Victorian womao clasps the waist of a half-size man holding a bulging bag. The sculpture can be seen as an Indian commentary on the weakness of the greedy European male and the unnatural dominance of his partner—typical of a souvenir art which took a long time to lose its punch.

An argillite bowl carved in the form of a grizzly bear or sea wolf, c. 1880-90

Imperial Group to sponsor Covent Garden 'Hoffmann'

The Royal Opera House, Covent Garden has announced that its new production of Offenbach's *Les Contes d'Hoffmann* will be sponsored by Imperial Group. The production will be mounted in December 1980, to celebrate the Offenbach centenary.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000

Wednesday February 13 1980

Rhodesia on a knife-edge

THE SITUATION in Rhodesia is now balanced on a knife-edge. With two weeks to go before the elections begin, intimidation of voters from all sides is already widespread. There have been two attempts on the life of Mr. Robert Mugabe, the ZANU (PF) leader. The British military command in Rhodesia has begun to voice fears for the safety of its 1,300-strong monitoring force.

Lord Soames finds himself in the position of a referee in a multi-cornered heavyweight brawl, in which none of the participants can agree on the rules. Over the past few days, the Governor's office has been releasing a series of statements mainly aimed at proving foul play against Mr. Mugabe and his ZANLA guerrillas. He has armed himself with wide powers to ban individuals or parties from the election. A new ordinance yesterday allows him to cancel the electoral process in 22 rural areas where the current level of intimidation would make a free and fair election impossible.

Mr. Mugabe for his part has bitterly attacked Lord Soames, has threatened to restart the guerrilla war, and has tried to pin responsibility for Sunday's assassination attempt on the security forces.

Stretching

The headlines over the past four days have given the impression that the Lancaster House process is slipping away from Lord Soames and the British Government. It is certainly true that if Mr. Mugabe had been killed on Sunday, the consequences would have been very severe. It is also true that the reality of trying to bring a long and bloody guerrilla war to an end by holding an election is going to require a very wide stretching of the terms "free" and "fair" as they are normally understood in the western world. This is an election whose starting point is violence.

But if the past few days have tended to draw out the dark side of what is going on in Rhodesia, there are still a number of shafts of light playing on the country. The early phases of the Lancaster House process—the assembling of the rival armies, the transfer of effort by all parties from killing each other to appealing to the voters—has gone better than could reasonably have been expected. Throughout the period of the Lancaster House talks, some 400 people were being killed a week. Since the "ceasefire," this number has been reduced to an average of about 20.

The fundamental pressures acting on the main participants throughout the long Lancaster House talks are still there today. All of them—the principal African leaders, the heads of Government of the Front Line States including South Africa—need peace more than they want a reversion to civil war. The elaborate Lancaster House game of bluff and counter-bluff, of threat and counter-threat, has carried through to Salisbury.

Beleaguered

Britain's position of holding responsibility without power to enforce it has been brought into sharper focus in the past few days, and Lord Soames will no doubt look increasingly beleaguered over the next three of four weeks. It is still by no means impossible that an election that is acceptable to the international community will take place, and that the intended transfer of power will follow.

For this to happen, all parties have to come up to the election feeling that they have not been so seriously disadvantaged by intimidation that they can no longer participate. Lord Soames knows that he cannot ban Mr. Mugabe or his party from taking part. The whole Lancaster House process would blow up in his face if he did. Equally disastrous would be if either Mr. Nkomo—who is busy transforming himself into a man of peace and national reconciliation — or Bishop Muzorewa were to withdraw. That too would bring the pack of cards down.

The situation is messy, cruel and dangerous. It is still on the rails.

A clearer role for BNOC

THE APPOINTMENT yesterday of a new team of managers for the British National Oil Corporation should mark the beginning of the end of a long period of uncertainty about BNOC's future. Ever since the general election, the Conservative administration has been looking for a way to reconcile its natural inclination to run down the Government's role in North Sea oil production, with the growing conviction among some Ministers that relinquishing direct control over Britain's oil would seriously damage diplomatic and national security interests.

Privileged

It now looks as if the Government has found a broadly satisfactory solution to this dilemma, after going again over much of the ground that was covered in the Cabinet debates about the future of the Treasury's shareholding in British Petroleum. The essence of the plan is to separate clearly BNOC's commercial, and political roles. These roles were compounded by the Labour Government when it established BNOC, to the great annoyance of the private oil companies, which saw BNOC as both an overseer and an unfairly privileged competitor. The most objectionable features of the regulatory role were abolished immediately after the elections, so that BNOC is no longer regarded with resentment and suspicion by other oil companies. But there remains the anomaly that BNOC is supposed to operate both as an independent commercial enterprise and as an agent for the Government's oil marketing.

The dual role would make it difficult, if not impossible, to bring private capital into BNOC as it is constituted at present. It is therefore likely that the corporation will be broken up into two parts: a production arm, which will carry on BNOC's present production and exploration activities, and a trading arm, which would act purely as the government agent responsible for trading the 51 per cent of each North Sea oilfield's output to which BNOC is currently entitled.

Share issue

The production company would thus be transformed into an ordinary oil company, with substantial reserves of its own oil, with a good exploration record and with excellent commercial prospects. The Treasury would have no difficulty in raising substantial sums towards the public sector's deficit by offering shares in this part of BNOC to private investors. Another option would be to issue shares, without charge, to all British citizens—and so distribute some of the benefits of North Sea oil, and of share ownership, as broadly as possible. The Treasury's inclination is to give preference to a reduction in the borrowing requirement, but the two aims could be reconciled if a distribution of BNOC shares were seen by the Government as an alternative to part of its tax-cutting programme.

Whatever scheme is eventually chosen, there will be no reason to confine the private shareholding to a minority in the long-run. BNOC has operated successfully and has contributed to the intense competition which has ensured the North Sea's efficient development. These were good arguments against dismantling its production side altogether, which at one time the Government considered. But there is no great advantage in retaining BNOC as a state-controlled company, particularly since the Government will presumably give an undertaking not to interfere in the management of the new company before offering shares to the public.

Agency

The future of the trading arm of BNOC is more problematic. At first sight the idea of retaining this as a wholly-owned state undertaking appears to contradict the Government's industrial philosophy. It would be more accurate, however, to view the planned trading company as a government agency than as a nationalised commercial enterprise. Its responsibilities will presumably not include "downstream" operations such as refining and marketing. Its main function will be administering the Government's participation agreements with the oil companies and ensuring that the Government has control over the destination of Britain's oil.

In theory even this degree of Government involvement in the oil market may be considered objectionable. But the strong desire of some Ministers, particularly those at the Foreign Office, to keep oil trading in Government hands is understandable — particularly at a time when oil has become an important tool of international diplomacy; when the multinational oil companies are being squeezed out of oil deals made on a government-to-government basis; and when Britain's oil provides it with an opportunity to take the lead in formulating a European energy policy.

DAVID TONGE REPORTS ON THE WORK OF THE BRANDT COMMISSION

Marked shift of power to the Third World

AT first sight the timing of the Brandt Commission's report could hardly be worse. The economic problems of the West are leading to retrenchment and to talk of increasing protectionism. The North-South dialogue appears in trouble. Last summer the Manila meeting of the United Nations Conference on Trade and Development broke up in virtual disarray. This weekend a conference of the UN Industrial Development Organisation, far from charting a course for the 1980s, ended in open confrontation between the developed and the developing countries (the Eastern bloc voted with the latter group).

The economic problems only serve to highlight the apocalyptic vision of the future presented by the leading personalities from North and South who made up the Brandt Commission. Set up in 1977 the Commission was financed by governments from the West and South, from OPEC and others. Its members included Mr. Abdlatif Yo Al-Hamad of the Kuwait Fund, Mr. Edward Heath, the former British Prime Minister, and Mr. Sonny Ramphal, Secretary General of the Commonwealth.

As for the North-South dialogue, it has long been a case of "the dialogue is dead; long live the dialogue!"

The Commission writes that there has been a greater shift of power to the South than has been widely appreciated. The extent of that shift since World War II is to some extent reflected inside the United Nations—and is one reason for Western frustration at the UN.

It is less reflected in the institutions set up at Bretton Woods in 1944: the IMF and the World Bank. These are still dominated by the industrialised West, but here too there have been changes. The combined voting rights at the IMF of OPEC and of the Organisation of African Unity have risen from 5.3 per cent of the total in 1960 to 17.4 per cent today.

There has also been a shift in attitudes. This is brought out by comparing the approach of the Pearson Commission which reported in 1969 with that of the Brandt Commission. It is indicative that Pearson reported to the World Bank, and Brandt to the UN. But while Pearson concentrated on aid, Brandt paints on a far larger canvas, juxtaposing arms and development expenditure, highlighting the political dimension of the question and emphasising the extent to which North and South, like it or not, are interdependent.

The Brandt Commission's vision of the future is dire. In the short-term the developing world is plunging ever deeper into debt, the banks seem unable to handle the massive recycling of funds needed, and the outlook for energy is grim.

Further ahead lies the possibility of an overcrowded world, short of food, long on desert and riven by conflict. It is in this context that the Commission argues that the North-South dialogue is not about charity but about mutual interest. What also emerges is how this dialogue is liable to be a permanent feature of the world scene.

In the past 15 years some achievements have been notched up. The Generalised System of Preferences means developed countries allow duty-free imports of some manufactures from developing countries. The two Lome Conventions between the EEC and the developing countries contained important features such as Stabex, a commodity stabilisation fund. Agreement is slowly approaching on details of the Common Fund, also to stabilise commodity prices.

The debts of some of the poorest countries have been cancelled and there is agreement in principle to set up a Sea-Bed Authority to deal with the "common heritage of mankind" under the seas. Given that each year there are 6,000 UN conferences involving 1m pages of documentation, these are arguably small advances.

The Pearson Commission is mainly remembered for helping secure agreement that overall net flows to the South should exceed 1 per cent of GNP and official aid should exceed 0.7 per cent of GNP. The first of these targets has been met. The second has not. Can the Brandt Commission hope to do better?

It is no criticism to point out that few of the Commission's ideas are totally fresh. Instead their ancestry is often old but honourable, with the levy on trade dating back to the 1940s and a large number of others to be found in the resolutions of UNCTAD or of the meeting last February of the developing countries, the Group of 77, at Arusha, Tanzania.

To this extent the prospects for the Brandt Commission are identical with those for the North-South dialogue. One of the weaknesses of this dialogue is that no group of countries willingly relinquishes a position of privilege. At present only OPEC can force the West to take note. In 1975 the new importance of OPEC brought fresh attention to the dialogue and helped the 1975-1977 Paris Conference off the ground.

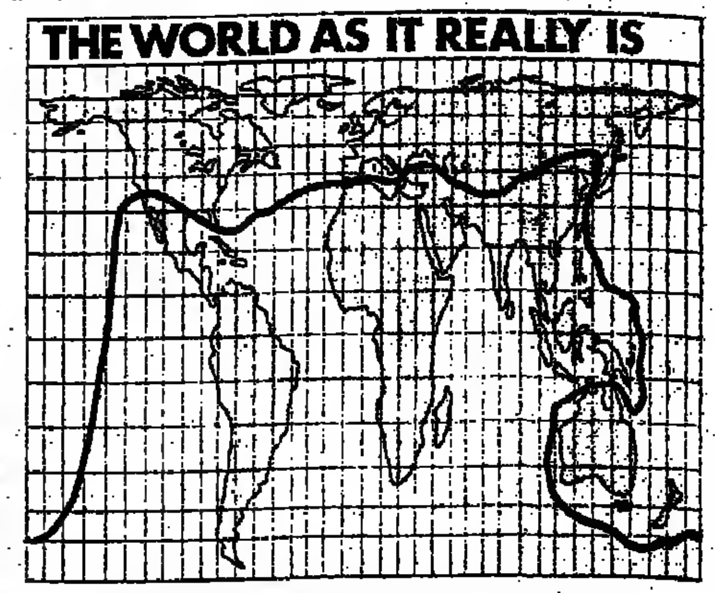
Now there is a further chance of OPEC giving a stimulus to the dialogue. After the disappointments of last year's UNCTAD meeting at Manila it was Algeria which led attempts to keep the dialogue alive.

As a result this autumn the UN is to hold a special session on North-South issues and to start Global Negotiations on "practicable subjects to be agreed on mutual interest." The North-South dialogue is thus on the table, with the UN holding a preparatory session this month and the Group of 77 planning a ministerial meeting in Algiers next month.

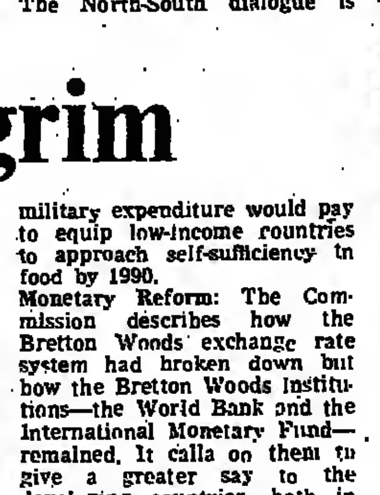
Governments in the West are in two minds as to whether OPEC will bat for the developing countries. The tendency in the EEC is to argue that strains are bound to develop between oil-exporting and oil-importing countries and between the newly industrialising countries such as Brazil and the least developed ones.

Some EEC members have tried to approach OPEC to do a deal with it in advance of North-South negotiations. So far they have been rebuffed. But that such feelers were put out indicates the change since the days of Pearson — and why Brandt's vision cannot be brushed aside.

THE WORLD AS IT REALLY IS



The map is based on the Peters Projection of the world which, it is claimed, gives a more accurate view of the proportion of land surface area than the more familiar Mercator Projection. It is the work of Dr. Arno Peters of Bremen University.



Herr Willy Brandt

Present imperfect, future grim

THE FUTURE, it seems, does not work. "The world community faces much greater dangers than at any time since World War II. It is clear that the world economy is now functioning so badly that it damages both the immediate and longer-run interests of all nations."

This anxiety and the mutual interests of the industrialised North and the developing South in tackling the problems are the two main themes of the Brandt Commission's report. Its analysis covers a broad sweep of human activity, giving an apocalyptic view of the numerous areas where the world is breaking down. It calls for a massive transfer of resources to the South.

In the short-run the lot of the world's 800m destitute seems intractable: life expectancy in the South remains more than 20 years less than in the North; one out of four children in many countries will die before the age of five; developing countries' debts are likely to swell; and the world's financial system has great trouble in continuing to recycle funds.

In the longer term the world's population is likely to rise from the present level of 4.3bn to 6bn-6.5bn by AD 2000 and to reach between 8bn and 15bn next century. Yet on current trends even by 1990 the Third World will need to import 145m tons of food annually, nearly twice the present level. It is doubtful whether this can be provided or paid for. In any case there could be a renewed inflationary surge in world food prices.

Such problems as the deforestation each year in the Third World equivalent to half the area of the United Kingdom, the depletion of the oceans and the world's energy resources cause Herr Willy Brandt to ask in his introduction: "Are we to leave our successors a scorched planet of advancing deserts, impoverished landscapes and ailing environments?" They also cause the Commission to write: "The North-South debate is often described as if the rich were being asked to make sacrifices in response to the demands of the poor. We reject this view. The world is now a fragile and interlocking system, whether for its people, its ecology or its resources. Many individual societies have settled their inner conflicts. . . . The world, too, can become stronger by becoming a just and humane society. If it fails in this it will move towards its own destruction."

The Commission makes the following main points:

Trade: Creeping protectionism and "orderly marketing arrangements" are condemned. For most countries balanced trade expansion is a less inflationary way to raise the level of economic activity than stimulation by public expenditure. One U.S. worker in 20 is producing exports for the Third World. During the post 1973 recession increased exports to the south saved 3m jobs in the OECD countries. The loss of jobs in the north due to imports from the south has been very small in relation to total unemployment.

Commodities: 60 per cent of world exports of major agricultural and mineral commodities other than oil originates from the Third World. UNCTAD has estimated that for 10 commodities local semi-processing could increase developing countries' export earnings by $27bn per year—more than one and a half times what these commodities now earn them. But tariff and freight structures discriminate against exporting semi-processed commodities. There may also have been a long-term decline in commodity prices. The case for stabilised prices is made strongly.

Industry and transnationals: The developing countries' share of world manufacturing rose from 7 per cent in the 1960s to 9 per cent in 1977. In 1975 the UN Industrial Development Organisation adopted the target of 25 per cent for this share by AD 2000 and the Commission feels this is no tool of reach if developed countries assist. However, it points out that eight countries alone accounted for 78 per cent of additional Third World manufacturing exports to the OECD between 1970 and 1976.

Transnationals now control between one-quarter and one-third of all world production. The total sales of their foreign affiliates in 1976 were estimated at about $830bn — about the same as the then GNP of all nonoil exporting developing countries. Intra-firm trading may account for over one-third of all world trade, emphasising the potential for restrictive business practices.

Energy: The report points out that one American uses as much commercial energy as three Swiss, nine Mexicans, 53 Indians and 1,072 Nepalese. It says that industrial countries will have to alter lifestyles. It gives three reasons why oil producers may restrain production: that oil is a depletable resource, that the faster the off-take from a well the less it may yield in total, and that assets oil producers can buy seem of less long-term value than oil in the ground.

It welcomes nuclear energy and calls for a global energy research centre under UN auspices.

It calls for the USSR (the world's largest oil producer) and China to be included in future arrangements, and warns that intervention with force to secure the security of future oil supplies "would put world peace in jeopardy even talk of them increases political tensions."

Disarmament and Development: The connection between these is a central point of the report. The need to end definitions of security which are restricted to military matters is stressed. "More arms do not make mankind safer, only poorer," the report writes, pointing out that annual world military expenditure totals $450bn a year, compared with official development aid of $20bn. The cost of one tank could provide classrooms for 30,000 children. That of a jet fighter could set up 40,000 village pharmacies. One-half of one per cent of one year's world military expenditure would pay to equip low-income countries to approach self-sufficiency in food by 1990.

Monetary Reform: The Commission describes how the Bretton Woods exchange rate system had broken down but how the Bretton Woods institutions—the World Bank and the International Monetary Fund—remained. It calls on them to give a greater say to the developing countries, both in control and staffing. And it points to the "current monetary disorder" and the need to take account of changes in the world since 1944.

It gives strong backing to expanding the IMF's Special Drawing Rights, urging their distribution to be more equitable. It also backs the proposed substitution account. But it is strongly critical of the conditionality of IMF loans to countries in distress, referring to "IMF riots." It laments the declining role of official development aid and criticises shortcomings in the international capital markets.

The Commission wants the current $20bn annual official development assistance to be doubled at least. It calls for the young to be educated about the world's problems, and for a summit of some 25 world political leaders to launch a new global initiative, with the North-South dialogue involving discussions at more manageable forums. It argues the need for a World Development Fund under the aegis of the UN, complementary to the IMF and World Bank, but not as an alternative to their reform and restructuring. It wishes to see the East involved in such moves as only a reduction in East-West tension can lead to sound North-South cooperation. But it argues that more power may already have passed to the South than is appreciated.

Perhaps the Commission's most radical suggestion is for a levy on trade or air travel or arms transfers, to ensure automatic provision of resources for development. To those who argue that international taxation is unrealistic in the light of public opinion, the Commission replies that a century ago the same was said of national income tax.

* *North-South: A programme for Survival. The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt. Editorial adviser: Anthony Sampson. Pan, £1.95*

MEN AND MATTERS

Seeing the show from down below

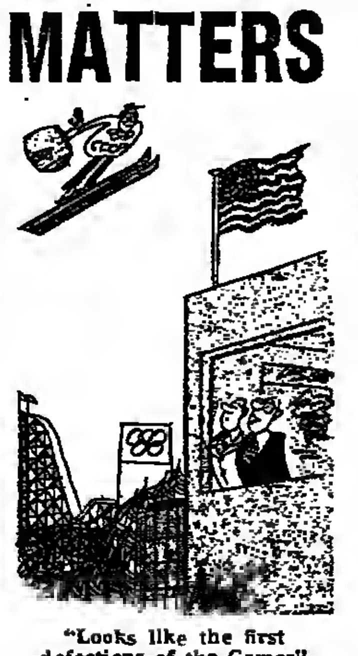
Aldermaston marchers of yesteryear must be appalled at the lukewarm approach of 1980 man to the renewal of the Cold War. This was in some sense typified by Home Secretary Willie Whitelaw on Monday, when he suggested that most houses offered "reasonable protection" against radioactive fallout.

This observation caused no noticeable explosions on the Labour backbenches, but experts in the nuclear field find it a curious view. "Basically," according to one of them, "what you need is a deep hole in the ground."

But let no one suggest that the government is being idle. Apart from preparing and circulating a helpful draft leaflet called Protect and Survive, it is arranging a pretend nuclear holocaust. Scheduled for Sunday March 2, this promises to be a gentle affair, mainly arranged by a computer with its dials turned to Vindictive. The bombing of Britain should, given fine weather, provide a pleasant day out for 10,000 men of the Royal Observer Corps as well as for 400 scientifically-minded Home Office volunteers, all of whom enjoy the advantage of having, in the event of a real war, their very own holes. They will be manning observation bunkers dotted at 10-mile intervals round the country and monitoring the mock destruction of their country. Above ground, not even a siren will sound.

"We will try to give them something out of the ordinary." I was told by Ted Hobbs of the Banbury-based UK Warning and Monitoring Organisation. "We may blow the top off Mount Snowdon, and Milton Keynes could well be one place that will go," he said playfully.

But Mr. Hobbs himself will be there, he says, "in a hole in the ground letting it all happen." He informs me that the number of staff at the monitoring base provided with a fallout shelter has been increased from four to six. This leaves 24 out in the cold, if that is the right word. What are their attitude? "They don't really think about it," says Mr. Hobbs laconically. "That's the way most people think — if the balloon's going to go up, it's going to go up."



"Looks like the first defections of the Games"

Roy's the boy

The Labour Party has always been ambivalent in its attitude towards professional publicists. Some members view them simply as nuisances while others attribute to them Svengali-style powers. In the circumstances, some of them might be interested to hear the views of Gordon Reece, Tory director of publicity, on the "marketability" of the various possible successor to Jim Callaghan.

Unhappily, the man Reece says could be most difficult for Mrs. Thatcher to beat at the next election is one who is hardly in the running for the Labour leadership, and may not even have the chance to stand as a party candidate again.

According to Reece, Roy Mason, MP for Barnsley, who is having trouble with his local party, has all the makings of a vote-winning leader: he is tough, patently nice, honest, and a Yorkshireman to boot.

Bailing out

Fane Vernon, the talkative chairman and managing director of steel roof engineers Ash and Lacy, has decided that other sectors of British industry should benefit from his 21 years of experience at the top. Accordingly he has handed over control and will shortly take up the chair at down-in-the-dumps British Dredging. "I want to help the company recover its strong reputation . . . the Board, you know . . . there has been a history of conflict," he tells me in inimitable machine-gun style.

Apart from bailing out the dredgers, he has other ambitions. "I would like to put some fighting spirit into the management of bigger companies. Even possibly I might take a full-time job with a bigger firm." How much bigger? "Any scale," fires back the self-assured Vernon. "British management, you know, is very disappointing. Lacks confidence even more than competence."

He had left Ash and Lacy to give himself a wider challenge, and to allow his Board colleagues promotion while they were still young "and 10 years before they might have expected it."

"There are too many Boards cluttered up with dead wood . . . er . . . not that I'm dead wood," he adds, shooting down my next question. "But I might be in five years."

Tripped up

Profligate Hungarian functionaries have been warned by the Finance Ministry in Budapest that they must cut down on their expenses. A decree issued yesterday ordered state institutions and other enterprises to reduce their entertainment and travelling costs by 25 per cent. The move follows recent complaints in the official Party newspaper that top managers of industrial enterprises in particular were wasting money. Pretending to visit the West for business purposes, the paper charged, they went on holiday instead and some of them even took their pals along for the ride.

Bloody Monday

Bemused diplomats attending a reception at the Iranian Embassy in London on Monday night marking the first anniversary of the revolution could hardly escape noticing that martyrdom was the theme of the day—not their own, that is, but the thousands who died during the struggle against the Shah. Scenes of spilt blood and death covered the walls; a film show thundered against the iniquities of the former regime; and, as one wag observed, even the birthday cake (sporting a solitary candle) cut by Charge d'Affaires, Dr. Gholam Ali Afrouz was filled with a red, glutinous substance.

Apart from the journalists present—who saw themselves described in the official handout as henchmen of "devilish powers"—most of the guests were diplomats from sympathetic Third World nations—though a man from Westminster Chamber of Commerce turned up to represent British business hopes.

Slow but sure

Heard in a Birmingham bar: "I've taken my lad into the business but he's bone idle—the only way I can see him getting to the top of the tree is by sitting on an acorn."

Observer

THE WINTER OLYMPICS

BY ARTHUR SANDLES

Politics and commerce

WHEN THE Olympic flame bursts into life in Lake Placid today it will light a scene which could provide a ready made plot for any aspiring writer.

The background is one of world conflict, political intrigue and a threat to the whole concept of the Olympics and—more immediately—whether the summer games in Moscow will be boycotted or perhaps postponed. The International Olympic Committee, which is meeting in Lake Placid, maintains that politics and sport must remain separate, and that the Russian invasion of Afghanistan should not prevent the games taking place in Moscow.

But whatever happens to those games, the winter Olympics will continue in the usual feverishly competitive atmosphere of commercial interests and international athletes in some of the world's most glamorous sports will do battle—knowing that at the end of the day professional glories may follow Olympic gold.

A cynic might be forgiven for suggesting that if the summer Olympics are basically about national sporting pride then the winter events, which start tomorrow after today's opening ceremony, have a strong undercurrent of commercial realism running through them.

Commercial links with winter sports, particularly skiing, were the near despair of former Olympic chief Mr. Avery Brundage and even now there is a good deal more than medals at stake when the skiers make their 80 miles-an-hour plunge down the steep race course of Placid's Whiteface Mountain. Britain's John Curry in 1976 demonstrated the way in which Olympic gold could be transmuted to professional revenue. But personal finances are only the tip of a very large sporting iceberg.

Next winter, for example, Europe will see the launching of a professional ski circuit similar to those operating in tennis. Already professional skiing is big business in the U.S. If the right people win medals this week—the right people being those who are willing to sign up for pro-racing—then the circuit will be off to a spectacular and highly profitable start. The first hand to slap the backs of some winners will have a cheque book in it.

Lake Placid is a small upstate ski resort nearer Montreal than Manhattan. It has a modest amount of ski terrain by world standards but it is impressive in quality. Not many American resorts have sufficient ski space to run a men's downhill for example. So small is the resort that even with new buildings which will later be used as a prison complex, it cannot house everyone who wishes to see the games. Only competitors, officials and journalists will be in the privileged ranks of those staying close to the resort itself.

Other visitors face daily bus trips from surrounding areas. For some it will mean a two hour journey back and forth each day. The resort itself has been closed to winter sports enthusiasts since January, for most of which month it was worryingly without snow. However, it has long since been packed with trainers, officials and the competitors themselves. Winter sports are not, however, the popular spectator events that track athletics are, with the notable exception of ice hockey. So there has been no great rush for tickets. The bus ride, the winter and the wide availability of television coverage have combined to be considerable deterrents.

New York State is looking to get more than a new prison out of the games. TV coverage not only helps to repay the investment in facilities but also helps to boost the state's considerable, and recently successful, efforts to increase tourism. This effort, recently seen in Europe with an extension of the "I Love New York" campaign, has gone a long way to reversing the image of New York city and state being made up of wall to wall skyscrapers and freeways. Lake Placid itself is a small isolated community surrounded by rugged near-wilderness.

Tourism is a major factor in the New York campaign for what is otherwise a depressed area. But it is also one of the secrets behind many national efforts among the competing teams. The nation which provides the most successful competitors, particularly in the skiing events, will be able to claim that it offers holidaymakers the best winter sports facilities. When the French, led by Jean Claude Killy, were beating the Austrians in ski races in the late 1960s and early 1970s they were able to argue that it was because Austrian teaching methods were old fashioned, a campaign which has lately back-fired.

New French resorts blossomed in the glory of Killy's victories and Austrians fought to recover their former glory. A big meeting considerable success recently. To have a champion means a great deal to an alpine village. To be in the major league you have to either breed or buy them. Karl Schranz, whose alleged involvement in ski promotion while still enjoying amateur status brought him into conflict with the International Olympics Committee, now heads the ski school at St. Anton.

American medallist Billy Kidd does an energetic marketing job for Steamboat Springs, Colorado. Killy himself spends a lot of time in the U.S. and has flirted with show business.

In theory winter sports are still firmly divided between the amateur and the professional. In fact the scene is very similar to that in tennis before that sport went open.

At the heart of the commercial aspect of the games is equipment manufacture. A pair of skis will cost the average recreational skier between £50 and £150 and there are more than 20m regular skiers in the world (perhaps 300,000 in Britain) most of whom believe that if only they could afford better skis they would be better skiers. A medallist grasping a ski is a crucial piece of promotional material. Even the British team gets free skis, just as it gets considerable financial support from the group, but there is a strong suspicion that some top teams get a lot more than a few pieces of free equipment and help with training costs.

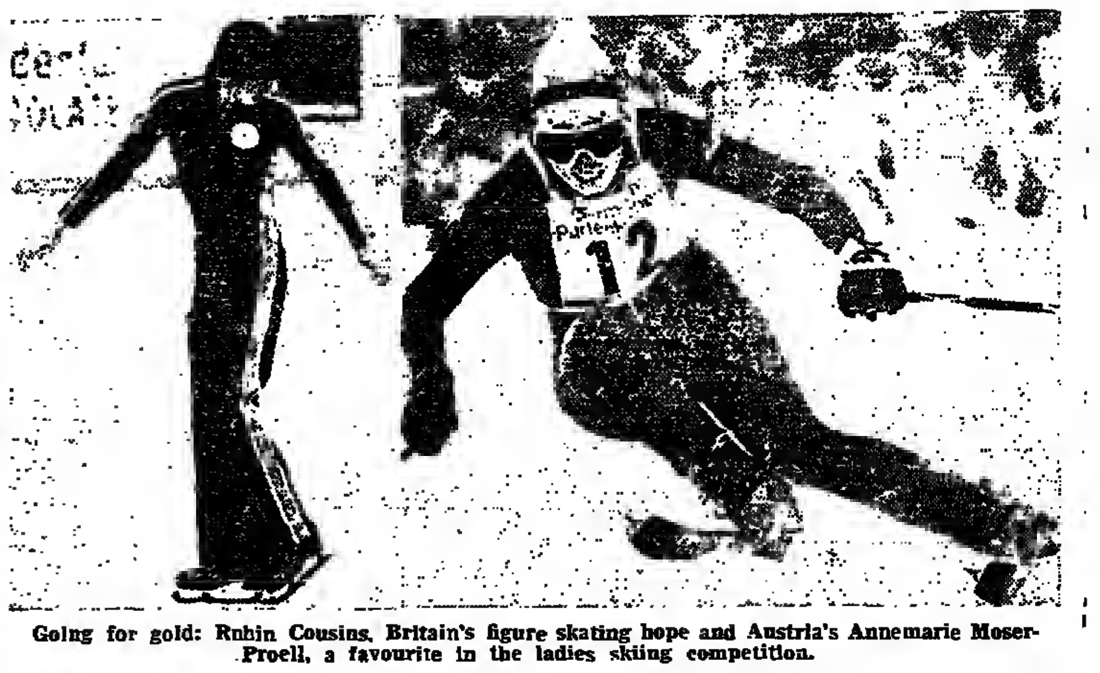
With many skis instantly recognisable by their colours, even if the name is removed, the effort to ensure that the champion shows off his skis in all the pictures is a determined one.

While the British have to train in comparative poverty some of the major alpine nations have elaborate training systems which make the Olympic ideal of part-time sportsmen seem out of touch with reality.

For the East Europeans the objectives are rather different, of course. The East Germans have shown just what can be done by the application of thorough full time training to what might once have been regarded as a gentleman's sport, bobsled racing. The British geotry is no longer a major force in this business.

The reason the East Europeans have had to make do with skating, bobsled and cross-country ski victories is that skiing is a largely capitalist sport needing extensive, and expensive facilities. The explosion of skiing as a recreation in North America has brought forward a crop of good U.S. and Canadian skiers who are now competing with the Swiss, Austrians and French in the major leagues. More medals would mean a further development of this growth and thus more business for the resorts of the respective countries.

Thus when the first medals are won or lost over the next few days the tears and cheers will come not only from families, friends and local supporters. They will be seen and heard in boardrooms and banking halls. The real gold of the winter Olympics comes later.



Going for gold: Robin Cousins, Britain's figure skating hope and Austria's Annemarie Moser-Proell, a favourite in the ladies skiing competition.

A guide to the events

ALPINE SKIING

Men's downhill: The Austrians have enormous depth in their team but are missing a star. Klammer is sadly off form. Anything better than a bronze, which could go to Peter Wirnsberger, would be a surprise. Best prospects for gold look to be Ken Reid of Canada and Peter Muller of Switzerland. A fall for either or both of these could give Austria the chance it needs. Waxing is going to be crucial in the usually deep cold of upstate New York—it could favour the North Americans who have experience of such conditions.

Women's downhill: By far the most fascinating battle of the games. Annemarie Moser-Proell of Austria ought to beat Marie Therese Nadig of Switzerland, but Proell suffers from stage fright. The picture is made more interesting still by Cindy Nelson of the U.S. skiing on home ground.

Men's slaloms: Swede Ingemar Stenmark is surely unbeatable in the Olympics. Watch his second run in these events, he has an amazing turn of speed. The major threat is Aody Wenzel, part of the brother and sister team from tiny Lichtenstein. Peter Luscher could produce a medal for the Swiss in the giant slalom.

Women's slaloms: Hanni Wenzel might prove better than either Moser-Proell or Nadig.

NORDIC SKIING

Jumping: A few months ago it was thought that the East Germans and Finns would dominate the jumps but recently the Austrians have shown impressive talents.

Placid jumps are exposed and a gusty day could play havoc with the jumpers. On form Austria's Henry Neuper should take the golds with East Germany's Henry Glass there for the silver, perhaps one each.

Cross country: An amazing test of endurance, these events tend to be dominated by the Finns, Swedes, Russians and East Germans; the only possible upset could come from American Bill Koch in the 30km event.

FIGURE SKATING

Men's figures: Britain's best chance of a gold with Robin Cousins showing signs of overcoming his weakness in the compulsory figures. In spite of recent form a Cousins victory should not be taken for granted.

Women's figures: It could go to the home girl Linda Fratienne of the U.S. Victory would certainly mean a spectacular end to a successful amateur career and a flying start for the professional circuit. The threat comes from East Germany's Anett Potzsch.

Pairs: A fierce battle between the U.S. and Russia. The excitement comes from Americans Randy Gardner and Tai Babilonia and the precision from Russians A. Zaitzev and Irina Rodnina.

Ice dancing: Britain is in with a slim chance of a medal. Jayne Torvill and Christopher Dean face daunting opposition. Krisztina Regoczy and Andreas Sallay of Hungary are likely to win a medal and might even best a powerful Russian squad. Best bet for a gold, however, must be the Russians Natalia Linichuk and Gennadi Karponsov.

SPEED SKATING

Men's events: The Americans are very enthusiastic about brother and sister team Eric and Beth Heiden and certainly see no way that Eric is going to be beaten in any event. It is the Norwegians, who pose the threat.

Women's events: Beth should collect a medal or two, but is unlikely to manage a clean sweep. East Germany and Russia have considerable depths of skills.

Ice hockey: Always a sure bet for some icy fisticuffs but there does not seem to be any prospect of the Russians meeting anyone to give them serious trouble.

TOBOGGANING

Bobsleigh: The East Germans have worked hard at these events with awesome results.

Luge: Again it is the East Germans, who will be setting the pace. With speeds topping 60 mph the racing is an impressive test of both courage and skill.

Letters to the Editor

Controlling the Comptroller

From Mr. I. Mackay

Sir,—Whenever the knives are out for Exchequer and Audit Department we can always rely on Professor Edward Stamp (February 11) to have his little dig. To say that ". . . the main problem has been the supine and servile incompetence of the public accounts committee in its efforts to curb the influence of the Treasury over the Comptroller and Auditor General" is nonsense. I have served six C. and A.Gs in the past 42 years, and not one of them has needed the assistance of PAC in this field for the simple reason that there is no Treasury influence to be curbed. "Aha," says Edward, "what about control of staffing levels?" To which I reply: "In theory, yes; in practice, no." On only one particular and specialised occasion in the last 10 years has Treasury (civil service department) turned down our request for extra staff, and this was rectified soon afterwards. That we are at present so badly understaffed is our own fault in trying to emulate Caesar's wife.

Paul's change of heart on the way to Damascus was as nothing to the overnight conversion from poacher to gamekeeper of one who leaves the civil service to become C. and A.G.—and none more so than an ex-Treasury man. On one recent occasion I was amused by the delight taken by Sir Douglas Henley in some awkward PAC questions for the Treasury officer of accounts—a post he had previously held. This robust independence permeates to the newest of new entrants.

If public funds were to be used by Maggie in buying a new hat, or by Jim for another farm, or by David Steel for a £200 lunch for Cyril Smith, we would be after them faster than you could say Red Robbo. Would this happen to their equivalents in the private sector? If your answer is "Yes" you obviously don't read your daily newspaper.

Ian Mackay.
28, Lyonsdown Road,
New Barnet, Herts.

Small craft foundries

From Mr. L. Hall

Sir,—The iron foundry industry grew out of a need by manufacturing industries for quantities of inexpensive engineering components, and casting is still the cheapest way of producing a complex-shaped object in iron. When engineering business is booming, large volumes of iron castings are required, and, certainly at peak times over the last 20 years deliveries of castings have never been satisfactory. Each succeeding economic upturn has been more unsatisfactory than the last, and this has been largely due to the continuing loss of foundries, which have been closing at the rate of about one per week since the second world war.

While there has been growth in the technically-based and automated foundries which serve the volume customers, the small craft foundries have seriously declined.

Dr. D. Hitchens (February 5 and 11) believes that this is a healthy streamlining of the industry, and that it is the less skill-intensive foundries which close.

Among the 800 foundries which have closed over the last 20 years, however, we have lost almost all the foundries which were capable of producing large floor-moulded general iron castings, the most skilled of all, and engineering manufacturers have been forced to re-design around welded steel fabrications which are more expensive, and have other disadvantages.

There are no similar viable substitutes for the smaller general engineering castings where production runs are uneconomic to the mechanised foundries when they are busy.

Purchasers were driven to buy castings from abroad during the last upturn, and with the continuing closure of more U.K. foundries, imported castings will be increased even further in the future.

Unfortunately, foundries are among the most vulnerable sectors of industry during the peaks and troughs of our economy; many have never been profitable enough to weather the troughs—and have gone to the wall; others have only been sustained by being tied to group manufacturers, but the expense involved in equipping to meet environmental control legislation on top of a prolonged poor economic climate, will be the last straw for the small craft foundries.

One thing is certain—when engineering becomes busy again, buyers will be scouring the country for every scrap of foundry capacity that is left.

Leslie V. Hall,
Richmond House,
34 Almondbury Close,
Huddersfield, Yorks.

Protecting an investment

From the Managing Director, Westinghouse Foundry

Sir, — Dr. D. Hitchens (February 11) shows a remarkable knowledge of the UK foundry industry and I believe he is correct in stating that tax relief and protection from environmental legislation is not the whole answer to the industry's present predicament.

His ultimate paragraph, does, however, worry me. Healthy streamlining of any industry is to be applauded but it is the timing of the cessation of such streamlining which is of concern. We contracted the sewing machine, motor cycle, white goods, radio and TV industries with appalling effect on our balance of payments. It is to be hoped that it is not too late for our steel and motor car market.

UK foundries are still closing at the rate of one per week and it is true to say that there is still over-capacity in the industry.

There are signs, however, of casting buyers increasing their spend with France, Germany, Spain, Portugal and Yugoslavia and I fear that one day we shall wake up and find that one of our oldest skills has been lost and we will have allowed other countries to export their unemployment to us. £50m of public money has been given to modernise our ferrous foundries, should we not try to protect that investment?

B. D. Coombs.
Westinghouse Foundry,
P.O. Box 63,
Foundry Lane,
Chippenham, Wilts.

A serious anomaly

From Mr. R. Harris

Sir,—As it is almost certain that taxes on alcohol will be substantially increased in this year's Budget, it is to be hoped that the chance will be taken to correct a serious anomaly.

At present the tax on beer and spirits is related to the alcoholic strength, but the tax on all wines of an alcoholic strength of between 10 per cent and 15 per cent, that is to say on most table wines, is the same. This means that light wines such as claret and hock, whose alcoholic strength does not normally exceed 12 per cent, have to pay the same tax as considerably stronger wines. If the purpose of taxing alcohol heavily is to reduce drunkenness and alcoholism, and there can be no other justification, then this is clearly a most undesirable state of affairs, for it is obviously preferable that people should be encouraged to drink weaker wine. The tax on wine should therefore be related to alcoholic strength.

I should say that I have no vested interest in the matter, except as a drinker.

R. Harris.
Flat 8,
119, Haverstock Hill, NW3.

Wasted energy

From Mr. E. Ambrose

Sir, — The Government is abandoning its energy conservation commitment.

As fuel costs (including those of gas) continue to rise, Britain sadly lags behind other nations in our conservation efforts. Denmark with a tenth of our population is spending currently £275m to our £115m.

The grant scheme for industry is terminating and the planned advisory centres on insulation will be conveniently forgotten.

We are to return to traditional British building economy symbolised by a pair of trousers with two pockets—one for capital savings, the other (with a large hole in it) to pay for the consequential increase in maintenance and running costs. Why the hole? To lose the unbudgeted excessive waste.

There is real fear that the local authority insulation programme and the home insulation scheme—two incentives for which Government may receive plaudits because they made noticeable inroads into the still enormous wastage in house heating—are to be axed as part of the "spending" cuts under consideration.

When the Prime Minister was in opposition she wisely urged us to build up a reasonable store cupboard. The same principle applies to our fuel reserves. A packed store with a gaping hole in the wall inviting immediate looting — I chose the word advisedly—is no solution to our immediate problem.

Eric Ambrose
Maccob, The Ridgeway,
Mill Hill, NW7.

The plight of the Welsh

From Mr. A. Williams MP

Sir,—In last Friday's interesting article "Missed chances" Malcolm Rutherford commented that "the numbers of new industries being established in Wales is substantial." From this fact he then concluded that "there is a story to tell here of the clear development advantage." Without wishing to offend Malcolm Rutherford may I suggest that the exact reverse is the case.

Virtually every new firm referred to was in Wales or negotiating to come to Wales before this administration took over—Sony, Panasonic, Hitachi, Ford. Even the recent Aiwa announcement was the culmination of a year of negotiations with my (then) officials at the Department of Industry and subsequently with the Welsh Office. Indeed, Lord Trenchard, the current Minister of State for Industry, recently admitted to a deputation of Welsh MPs that much of the present activity in Wales was due to Labour's "momentum."

But the point of this letter is not to lay claim to particular projects but to focus attention on a crucial point which the article did not take into account. The key factor is that all the firms which were listed as coming to Wales came, or are coming, under the very regional policy which this Government is about to dismantle or drastically diminish. Indeed, whatever new investment may have been initiated since the policy statement of July 1979 is mainly the last minute scramble by management to beat the summer 1980 deadline for the old levels of regional aid.

The amount of new industry is inevitably linked with national economic growth. The fact that investment and economic activity are about to fall suggests that the volume of new "footloose" industry will be limited.

But competition for the little there will be is actually going to be more acute. The non-assisted areas have virtually been freed of industrial development certificate control. At the very time that the assisted areas will be offering lower incentives areas such as Bristol, Slough and London itself will be campaigning to attract industrialists.

If we then add the "Welsh dimension"—the loss of nearly 20,000 steel jobs in north and south Wales with another 7,500 being lost in the pits which supply our steelworks, plus an unquantifiable number of consequential redundancies — you will see why, in the Welsh debate, the Conservative MP for Flint West described our employment prospects as "terrifying."

My fear is that Scotland, Lancashire, the North East, Yorkshire and Humberside as well as Wales are about to feel the backlash of the biggest switch in favour of southern England that we have seen in the post-war period.

For these reasons I firmly believe that while there is a story to tell here, it is a story which it will prove impossible to tell to the Government's advantage in the assisted areas, and particularly Wales.

Alan Williams.
House of Commons, SW1.

Today's Events

GENERAL

UK: Mr. David Howell, Energy Secretary, speaks at Institute of Petroleum dinner, Grosvenor House, London.

Prince Charles, and Mr. Gordon Richardson, Governor of the Bank of England, speak at Bristol Chamber of Commerce annual dinner.

TUC Economic Committee meets, London.

The Queen opens the Vikings Exhibition at the British Museum (until July 20).

Confederation of British Industry statement on links between industry and education, Birmingham.

London Chamber of Commerce conference on marketing strategy for consumer products in Middle East and North Africa.

London Petroleum Equipment Exhibition opens, Bloomsbury Centre Hotel (until February 14).

Overseas: President Daniel Arap Moi of Kenya on state visit to West Germany (until February 15).

European Parliament in session, Strasbourg (until February 15).

PARLIAMENTARY BUSINESS

House of Commons: Education Bill, remaining stages.

House of Lords: Debate on Government's industrial, financial and monetary policies. Criminal Justice (Amendment) Bill, third reading. Interpretation of Legislation Bill, second reading.

Select Committees: Education, Subject: Funding and organisation of courses in higher education. Witnesses: Committee of Directors of Polytechnics, Association of Principals of Colleges. Room 6, 9.30 am. Energy. Subject: Government's nuclear power programme. Witnesses: UK Atomic Energy Authority. Room 8, 10.45 am. Industry and Trade. Witnesses: Trade Policy Research Centre. Room 16, 10.45 am. Employment. Subject: Manpower Services Commission's Corporate Plan, 1980-84. Witnesses: Manpower Services Commission. Room 6, 4.30 pm.

OFFICIAL STATISTICS

December provisional index of industrial production.

COMPANY MEETINGS

Lloyds and Scottish, 8-9 Chesterfield Hill, W. 12.

COMPANY RESULTS

Final dividends: Anglo American Securities Corporation. Broadstone Investment Trust. General Consolidated Investment Trust. Securicor Group. Security Services. Thomas Witter. Yeoman Investment Trust. Interim dividends: Elbief, Press Tools, Walshams.

Crest Nicholson profits jump 54% to £4.3m

FURTHER PROGRESS was made by Crest Nicholson in the year to October 31, 1979, with sales rising 27 per cent to £43.1m and pre-tax profits 54 per cent higher at £4.33m compared with £2.81m in the previous year.

The results reflect the directors' confidence at midway—reporting first half profits up from £1.01m to £1.61m, they expected the aim of a further advance for the year would be achieved including a significant increase in earnings per share.

Stated earnings per share at the year-end were 16.74p against 10.62p and 12.24p (8.17p) fully taxed. The final dividend is 2.58838p making the forecast 4.08838p on increased capital, against 3.71671p.

	Year 1978-79 £000	1977-78 £000
Turnover	43,120	34,036
Profit before tax	4,326	2,806
Tax	1,679	1,175
Net profit	2,647	1,631
Minorities	33	45
Attributable	2,680	1,586
Add: Extraord. credits	94	29
Dividends	676	410
Retained	2,098	1,205

The return on shareholders' funds shows an increase (for the fifth successive year) to 47 per cent which reflects the increasing efficiency in the management of funds, the directors say.

For the current year, the directors are confident of further significant growth, provided there is no deterioration in present economic conditions.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Elbief, Press Tools.

Finals—Anglo-American Securities, Bumid Qualcast, Brayton Premier Investment Trust, General Consolidated Investment Trust, Securicor, Security Services, Thomas Witter, Yeoman Investment Trust.

FUTURE DATES

Interim—

Consolidated Plantations .... Feb. 21

Finals—

Drake and Scull .... Feb. 19
Ewer (George) .... Mar. 3
Foreign and Colonial Inv. Tst. .... Feb. 20
Newbold and Burton .... Feb. 21
Norfolk Capital .... Feb. 19
Queens Moat Houses .... Mar. 24
Rentokil .... Mar. 4
Scottish United Investors .... Feb. 15

During 1978-79, activities in property, document handling and optical products all did well, but operations in the marine field and the production of pumps and generators faced more difficult conditions. The Crofton group which was acquired in the year, out-performed expectations.

● comment

The comparative ease with which Crest Nicholson has achieved its 25 per cent compound growth targets since 1974 suggests that fully taxed earnings of 15.3p per share can be pencilled in for the current year. The property division is again contributing over 60 per cent of profits but there are sufficient caveats on the 1980 housing front to demand a certain degree of caution. Crest, however, has apparently already arranged to sell two-thirds of the units it requires to hit the budgeted level of growth in this division while the performance of the new optics operation, in for eight months during 1978-79, suggests that the maximum deferred consideration will be payable. Returning something over 60 per cent on capital employed, the Crofton acquisition has helped to lift the overall return by around 10 points to a useful 47 per cent but the extent to which working capital has been pruned in the two businesses that went sour last year is almost equally important. Both Cornet and the boat building are unlikely to recover quickly but Camper's recent small losses should be eliminated and Crest still made a profit in gears and pumps last year despite a near 50 per cent fall in turnover. Rated as a housebuilder, the group is trading at 8.4 times historic earnings at 106p, up 1p yesterday, but the prospective multiple of 6.8 (if the track record remains intact) is by no means vulnerable. The 5.6 per cent yield is neither here nor there but cover is very adequate.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Crest Nicholson	2.59	April 18	2.22	4.09†	3.72
Donald Macpherson	2.7	April 3	1.69†	4.2	2.94†
Martin Ford	1.3	April 24	1.14	2.6	2.24
Guinness Peat ....int.	2.75	March 25	2.25	—	6.25
Int. Inv. Tst. Co. Jersey	4	March 28	3.5	6	5
Meat Trade Supplies int.	3.5	March 27	3.35	—	7.73
Reliance Knitwear ...int.	1.54	May 1	1.54	—	3.69
Joseph Webb ....int.	0.13	April 14	0.12*	—	0.49*
Crescent Japan Inv.	2.5	March 28	1.3	2.5	1.3
Broadstone Inv.	4.35‡	April 24	4.15	6.35‡	5.7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special 1p dividend in respect of exceptional income from Shell and Unilever.

Guinness Peat £6.2m midway

PROFITS before tax of the Guinness Peat Group have increased substantially to £6.22m in the half-year ended October 31, 1979, compared with a depressed £1.85m in the same period last year. Sales, brokerage and fee income were higher at £286.7m against £213.56m.

The interim dividend is raised from 2.25p to 2.75p per share—the previous total was 6.25p from pre-tax profits of £7.76m.

First half profit is after non-trading interest of £3.31m (£1.62m) and central costs of £476,000 against £384,000. The interim dividend absorbs £1.81m (£1.47m).

The group trades as commodity brokers and bankers and has interests in insurance, food distribution and property.

See Lex

W. Jackson over £1m halfway

FOLLOWING THE record £2.07m in the last full year, pre-tax profits of William Jackson and Son improved from £0.95m to £1.09m for the six months to October 27, 1979. Turnover rose some £7m to £56.4m.

Tax for the period takes £200,000 against £250,000 giving net profits up from £696,182 to £887,436.

The company, which has "close" status, carries on business as a baker, confectioner, meat product manufacturer and supermarket operator.

M. Ford lower in second half

WITH TRADING conditions more difficult in the second six months to December 1, 1979, taxable profits of Martin Ford, ladies' wear retailer, fell from £0.76m to £0.66m for the period leaving the full-year's result little changed at £1.33m, compared with £1.32m. Turnover, including VAT, reached £7.21m at the year-end, against £6.49m.

The adverse conditions are persisting into the current year and the directors say it is unlikely that last year's interim results will be achieved.

In August, when reporting first-half 1978-79 profits up 21 per cent to £0.67m, the directors were confident of further satisfactory increases in results.

Earnings per 10p share are given ahead from 3.89p to 4.13p and the dividend total is raised to 2.6p (2.24446p) net, with a final of 1.3p.

Comparative profits and earnings have been restated.

Tax charge for the year was £686,358 (£706,826) and net profits rose from £606,463 to £645,794.

Macpherson exceeds £4.8m on good results all round

WITH ALL operating divisions performing well Donald Macpherson Group lifted taxable profits in the year to the end of October 1979 by 18.6 per cent from £4.08m to a record £4.84m. Of this £2.51m, against £2.34m, came in the second half.

Sales by the manufacturer of paint and other surface coatings were 15.8 per cent higher at £75.9m. The previous year's setback to UK export sales was reversed by growth to £3.09m (£2.82m) and overseas turnover reached £9.44m (£8.49m).

When reporting a midyear profits advance to £2.03m (£1.74m) the company had said it was confident of further improvement for the full year.

The prospects for the British economy make it difficult to be optimistic for the current year says Mr. Rex Chester, the chairman. However, he adds, the Board is confident that, in view of its profits growth over the past five years, the company will achieve good performance for 1979-80 in the prevailing economic circumstances.

Trading profit for 1978-79 was £0.85m ahead at £5.61m before £766,000 (£677,000) interest charges.

Tax of £1.19m (£724,000) left stated earnings per 25p share down at 21.4p (22.5p), or 12p (12.5p) fully diluted, on capital increased by the March rights issue. Even so, the net total dividend is stepped up to 4.2p (2.94284p) by a 2.7p final representing a 36.6 per cent increase in the gross payment.

The attributable balance was £2.64m (£2.28m) of which dividends absorbed £761,000 (£426,000) leaving retained surplus at £2.88m (£2.33m).

Mr. Chester states that at home industrial coatings, trade sales and Uberman produced significantly higher profits. Cover Plus, the brand sold to Woolworths, also performed well but did not quite make up the ground lost through the transport drivers' strike in the important second quarter.

Overseas manufacturing operations in Eire, Malaysia, Thailand, Trinidad and Holland, meanwhile, improved their overall contribution to group profits.

● comment

The market was delighted with Donald Macpherson's full-year profits rise of almost a fifth, and the shares rose 6p to 97p. Against a background of difficult trading conditions, the results—roughly in line with Blundell-Permoglaze for a similar period—confirm that the smaller paint manufacturers have the edge over their larger competitors. In Macpherson's case, the annual growth rate has averaged an impressive 35 per cent over the past five years. During this period, any buoyancy in the paint industry has been restricted to the home improvement sector, which now accounts for about a quarter of Macpherson's sales. In the latest financial year the main spur to growth was a near 10 per cent jump in trade sales, reflecting a useful gain in market share. Underlying growth might be difficult to achieve in the current year but following the degearing exercise and the recent rights issue, there is plenty of scope to mop up a few acquisitions when the time is ripe. Fully-taxed, the p/e is 7.4 while the yield is 6.4 per cent—a rating partly supported by the strong links with F. W. Woolworth (nearly a fifth of all sales).

Ash & Lacy chief headhunted as British Dredging chairman

BY REG VAUGHAN

British Dredging, the troubled marine-dredging and sand and gravel group, has appointed Mr. Fane Vernon as its new independent chairman to replace Mr. Bryan Clark who is stepping down in accordance with his statement at last August's AGM.

Mr. Vernon, who yesterday said that he had been "headhunted" for the job, is chairman and chief executive of Ash and Lacy, the Smethwick engineering group, where he will remain chairman on a part-time basis.

An attempt was made at last year's AGM to dismiss Mr. Clark but this failed narrowly on a vote after he issued a surprise resignation statement. The move to oust Mr. Clark was led by Mr. Mostyn Bowles, a non-executive director and a former chairman of the originally family-owned company, amid allegations of mismanagement.

Mr. Clark said at the time that he would stand down as soon as an independent chairman acceptable to both sides in the wrangle could be found. Mr. Vernon has been appointed with the unanimous support of the board. Mr. Clark will remain as chief executive and becomes deputy chairman.

Mr. Vernon yesterday described his appointment as an "interesting challenge." He said that a prime objective would be to restore the group's profits and reputation and a first step towards this would be to achieve a united board.

Mr. Vernon said that British Dredging had considerable assets, and he would be taking a hard look at the company in the next few weeks. The problem areas had been dealt with and he would continue the process of consolidation.

Following a first half 1979 loss, due to bad weather and losses in the engineering division, the group operated profitably in the second half. A profit has already been forecast for the full year and the company said consideration would be given to paying a dividend—the first since 1978. The Cardiff-based group turned in record profits of £1m in 1972-73 but has made losses in the past five years.

At Ash and Lacy Mr. David Fletcher, formerly on the boards of Babcock and Wilcox and ICI, is to take over as managing director. Mr. Vernon said that he planned to spend about one day a week at Ash and Lacy.

Upsurge at Cadbury (S. Africa)

A RISE of nearly 80 per cent in pre-tax profit is announced by Cadbury Schweppes (South Africa) in its preliminary figures for 1979.

Profits rose to R4.8m from R2.72m the previous year on turnover up to R36.6m from R31.47m.

The results, covering the 52 weeks to December 29, show net profit at R3.32m (R1.78m). Stated earnings per share rose from R35.20 to R65.60.

The directors have declared a final dividend of 18 cents per share, making a total of 23 cents for the year, compared with 14½ cents in 1978.

Mr. C Cilliers, chairman, says all sections of the business improved profits considerably. Both Cadbury and Schweppes increased volume sales and the confectionery division enjoyed benefits from past capital expenditure, increased efficiency and good management control.

He expects the buoyant conditions which were evident in the fourth quarter to continue this year.

Meat Trade Suppliers upsurge

TAXABLE PROFITS of Meat Trade Suppliers advanced from £134,752 to £200,670 for the six months to September 30, 1979, on turnover of £5.59m, against £4.39m.

After tax of £102,952 (£69,402) net profits rose by £32,368 to £97,718.

The net interim dividend is stepped up from 3.35p to 3.5p per 25p share, absorbing £65,558 (£62,748) after waivers of £26,250 (£25,125). Last year's total payment was 7.725p on £324,106 profits.

The group's principal activities are dealing in sausage casings, wholesale meat and butchers' sundries.

First dividend by Swansea Sound is 14p

Swansea Sound is to pay its shareholders their first dividend five years after the commercial radio station was launched.

The company increased its trading profit from £73,712 to £97,436 in the 12 months to September 30, 1979

Shareholders will receive 14p per £1 share.

Joseph Webb ahead halfway and sees increase for year

FIRST HALF profits of Joseph Webb and Co. have improved from £227,000 to £295,000 and the directors expect pre-tax profits for the current year to March 31, 1980 to show an advance on the previous year's £528,000.

Turnover in the first six months increased from £1.83m to £2.18m. Profits are after interest of £81,000 (£94,000) but before tax of £71,000 against £22,000.

The directors of the group which trades in estate development, property investment and holidays and entertainment, say the current level of bookings for the 1980 holiday season is again encouraging and it is expected this will reflect an overall increase in profit for 1980-81.

The interim dividend is effectively lifted from 0.11671p to 0.1313p—the previous total was equal to 0.49964p.

First half trading profit was £376,268 (£321,037). Holidays and leisure increased their contribution to £324,059 (£272,891) which continues to reflect the level of bookings and increased capacity built up by acquisitions.

Property investment income was £52,209 (£48,346) with the continuing prospect of improved income through rental reviews. There were no land sales in the first six months and it is not expected that a contribution from this sector will be made in the second half, the directors state.

Earnings per share are stated as 1.02p against a restated 0.93p.

As reported, the group subsidiary, Parkland Caravan Holidays has bought a caravan park, at Mannrbier, Pembroke, for £200,000.

SHARE STAKES

Elson and Robbins—Mr. E. R. Keeling, chairman, has disposed of 78,000 ordinary shares.

British Electric Traction—Mr. L. M. Thompson, director of Rediffusion, has disposed of 16,000 deferred ordinary shares.

Lombard North starts well

THE VOLUME of new business undertaken by Lombard North Central, the leasing offshoot of National Westminster Bank, has again shown a substantial increase in the first three months of the current year over the first quarter last time, says the chairman in his annual report.

However the prospects of continued growth in volume and profitability of the company's business depends on the general economic situation and on the level of interest rates in particular, he adds.

In January the company reported a decline in taxable profit from £27.47m to £26.39m for the year to September 30, 1979. A change in accounting policy on leasing resulted in an increase in the surplus of £8.61m (£7.77m).

Warner Estate reinvestment policy

IT REMAINS the policy of Warner Estate Holdings, property investment company, to sell residential properties whenever they become vacant and reinvest the proceeds in commercial properties, says Sir Henry Warner, the chairman, in his annual statement.

However, he welcomes the proposal in the Housing Bill to create protected shorthold tenancies and says the company will make use of this.

The chairman says it will give the company better control over its cash flow, enable the staff at Walthamstow to give better service to people requiring accommodation, and justify the retention of some dwellings for their future increase in value instead of having to sell whenever they fall vacant. For the people of Walthamstow it will mean more dwellings available to rent.

Group pre-tax profits for the year ended September 30, 1979, were up from £1m to £1.22m, on turnover of £5.9m (£5.3m).

Reliance Knitwear reduced

REFLECTING lower margins from its major customers and poor retail trade in the second quarter, pre-tax profits of Reliance Knitwear Group, garment manufacturer, from £350,000 to £228,000 in the six months to October 31, 1979.

In the last full year, profits fell from £817,370 to £530,834, seriously affected by reduced margins, bad weather and industrial disputes, but the directors stated in August that the current year had started well and first half results were expected to be good.

The interim dividend is maintained at 1.54p—last year's final was 2.149p.

Interim rise at Deborah Services

Following the rise to a record £1.21m for the whole of last year, taxable profits of Deborah Services have advanced from £625,000 to £746,000 for the six months ended September 30, 1979. Sales rose by 48 per cent to £9.6m against £6.5m.

On capital increased by last year's rights issue, the net interim dividend is raised to 1.1p (1p) per 5p share, payable on March 20—the final payment for 1978-79 was 2.5p.

OFT recommendations soon on Marsh-Bowring

THE Office of Fair Trading is expected to make its recommendations at the end of this month to the Secretary of State for Trade whether the £237m bid by Marsh and McLennan of the U.S., for C. T. Bowring, should be referred to the Monopolies and Mergers Commission.

Bowring, which is fiercely opposed to the Marsh bid, is relying on a reference to the Monopolies Commission to stymie the U.S. group's attempts to take it over.

Bowring is taking action in the U.S. through its U.S. attorneys, Davis Polk and Wardwell, and has complained to the Securities and Exchange Commission that a preliminary prospectus issued by Marsh contained "certain errors and omissions and that certain figures were misleading."

Mr Gilbert Cooke, Bowring's managing director, said yesterday that group executives and lawyers were making their representations this week.

One of the more controversial aspects of the prospectus were details which described discussions between the two groups last September, sometime before a formal offer emerged.

The document says that "Bowring was willing to discuss the merger of Bowring with the company (Marsh). Various meetings and discussions were held concerning such a merger, and in early September, 1979, an oral tentative proposal was made by the management of the company to the management of Bowring to acquire all of Bowring's outstanding ordinary shares through an exchange offer consisting solely of common stock."

The document adds: "The exchange ratio proposed at that time and based upon the then current market price of the common stock would have been 150 pence ($3.36) per outstanding ordinary share.

"In addition, detailed consideration was given to the sharing of senior titles in the combined company, as well as the composition of its board of directors with representatives from both organisations, the name of the parent company and the names of its principal operating subsidiaries.

"On September 17, 1979, the company was advised that the board of directors of Bowring had passed a resolution rejecting the proposal."

The document continues: "The company was advised, however, that the board of directors of Bowring had, at the same September 17, 1979 meeting, unanimously authorised discussions concerning the sale of the insurance brokerage business of Bowring, and possibly the insurance underwriting business of Bowring."

But discussions on this structure and other arrangements later broke down leading to Marsh's formal offer.

Marsh and McLennan is the world's largest insurance broker. Bowring, insurance broker, has banking, credit finance and large Lloyd's of London interests.

Mid-Kent £5m issue

Underwriting arrangements have been completed for an offer for sale by tender of £5m 9 per cent Redeemable Preference Stock 1985 by Mid-Kent Water Company. The minimum price is £97 per cent.

Tenders close on February 20. The prospectus will be published tomorrow.

Brokers to the issue are Seymour Pierce and Company.

Brentnall accounts qualified

THE auditors of Brentnall Beard (Holdings) have qualified the annual accounts as to the fact that the Committee of Lloyd's has advised certain companies in the group that it proposes to consider whether it should take steps to prevent these companies continuing to carry on business as Lloyd's brokers.

The validity of the going concern basis, in accordance with which the consolidated accounts and the accounts of the company have been prepared, might be affected if such steps were to be taken by the Committee of Lloyd's, says the auditors, Touche Ross and Co.

A note to the accounts states that the business of Lloyd's broking is a fundamental part of the group's activities and should any restriction be imposed, significant changes to the operations and structure of the group in future, would be required.

The ultimate future of the group depends, to a large extent, on a speedy and satisfactory conclusion to the Lloyd's enquiry, says Mr. Maurice Fullerton, chairman, in his annual statement, but in the absence of unforeseen circumstances he expects a considerable improvement in the group's trading position for the current year.

As reported on January 29, group turnover for the year to September 30, 1979 fell by £2m to £2.51m and the pre-tax loss for the period more than doubled from £0.53m to £1.2m.

A geographical analysis of turnover and taxable loss discloses (£000s omitted): UK and Europe £1,939 (£2,446) and £695 (£316 profit); Canada and U.S. £220 (£1,712) and £532 (£555); Scandinavia 300 (same) and nil (same); Far East £50 (same) and £55 profit (£30). Exchange losses were £30 (£317).

Total reserves at September 30 stood at £503,972 (£969,266), of which the distributable amount showed a deficit of £10,127. Group net current assets totalled £470,552 (£224,306) and fixed assets £146,107 (£641,264).

There are contingent liabilities in respect of guarantees (including postponement of claim) given in the normal course of business as to subsidiaries £560,000 and others £66,000. In addition the holding company has guaranteed the amounts owing in the normal course of trading by foreign associates to a UK subsidiary which at September 30 amounted to some £0.5m. Contingent liabilities exist for intermediate amounts of suits and claims.

In the opinion of the company's legal advisors and management, the outcome of these contingencies will not have a materially adverse effect upon the group's financial position.

A statement of source and application of funds shows a decrease of £269,364 (£143,749) in net liquid funds.

At February 1, 1980, Udaset Holdings had a 13.24 per cent interest in the company. Meeting, Founders Court, E.C., on March 3 at 11.30 a.m.

26 companies wound up

Compulsory winding up orders against 26 companies have been made by Mr. Justice Dillon in the High Court. They were:—KTV Films, Candoncourt, Leverstone Builders (London), Montague Kent and Company and Vadella.

Modular Dental Systems, Ashreed, Cine Camera Maintenance, Halbury Builders, Rodford Estates.

Weathertex (Industrial), Plumecare, Simon International Haulage, Shriveworth and Highstone Design and Construction.

Cambertown, Kingwest, Colmar Maritime, Bolton and Moor (Brickwork), Unimul and Wademoor.

Speedway Freightway Services, Anglo-Malayan Trading Company, Beluga, Motorvation Guarantees and ITA Transport.

A compulsory winding up order made on February 4 against the London Contract Decor Company was rescinded and the petition dismissed by consent.

Crescent Japan advances

PROFIT OF Crescent Japan Investment Trust showed a substantial increase in the year to December 31, 1979, rising from £138,728 to £246,206, after a higher tax charge of £266,723, against £150,285.

The net dividend is almost doubled from 1.3p to 2.5p. Stated earnings per 50p share are 3.79p (2.21p).

Statement expected from Delson

Delson, the Birmingham-based nut and bolt manufacturer which requested a share suspension last Friday, is expected to issue a statement before the annual meeting on February 22.

At the suspension price of 31p the company is capitalised at £775,000. Major shareholders in the company are Glynwed with 7.6 per cent and R. Cashmore with 5 per cent of the equity.

Broadstone paying more

Revenue of Broadstone Investment Trust in 1979 rose from £1.28m to a record £1.68m before tax of £591,062, against £454,818. Including non-recurring income from Shell and Unilever of 1.09p, stated earnings per 20p share were ahead by 1.8p at 7.68p.

The net total dividend is raised to 7.35p (5.7p) by a 4.35p final plus a 1p special payment in respect of the exceptional income. Net asset value at year end was lower at 194p (201.4p).

SPAIN

February 12	Price %	+ or −
Banco Bilbao	216	
Banco Central	238	+6
Banco Exterior	211	
Banco Hispano	214	+3
Banco Ind. Cat.	135	
Banco Madrid	170	
Banco Santander	245	
Banco Urquijo	183	
Banco Vizcaya	226	
Banco Zaragoza	200	
Dragados	103	
Espanola Zinc	62	
Fecsa	56.4	−1.0
Gal. Preciados	35	
Hidrola	62.5	−0.5
Iberduero	60.7	+0.7
Petroleos	115.7	−1.3
Petroliber	72	
Sogefisa	116	
Telefonica	55.2	+1.2
Union Elect.	64	

UK COMPANY NEWS

NEWS ANALYSIS: GOLD FIELDS

Why mine it when you can buy it?

BY PAUL CHEESERIGHT

Consolidated Gold Fields has always been vulnerable to a raid on its shares. The last annual report showed that no shareholder had an interest of 5 per cent or more in the group.

During the recession years this was a matter of little consequence. There were few who were interested in building up a stake in a natural resources group with a predilection for rights issues, and only moderate earnings and dividends.

But as metal prices came off the floor and the group boosted net profits by 63 per cent to a record £56.2m in the year to June, it became clear that Gold Fields was finally gaining the benefits of investments and operations in very valuable properties.

Most notably the group's earnings were being pushed higher by its gold interests, held partly through a 46 per cent stake in Gold Fields of South Africa, but also embracing direct stakes in a number of the largest South African mines.

There is a 25 per cent holding in Deelkraal, 10 per cent each of Doornfontein, East Driefontein and West Driefontein, and 9 per cent of Kloof.

Through Amey Roadstone, the group has a major stake in the European construction materials industry. It has diversified into specialist manufacturing with ownership of companies like Alumsac, the UK aluminium products supplier. Through Azcon in the U.S., it is involved in steel production and distribution.

The group has built up a substantial mining presence in Australia through the 70 per cent owned Consolidated Gold Fields Australia: a controlling stake in that country's biggest tin producer, Renison, not to speak of a major interest in beach sands through Associated Minerals Consolidated, and holdings in iron ore through Mount Goldsworthy and in copper through Mount Lyell.

Within South Africa the group is involved in expansion not only through the new Deelkraal gold mine but also because of its indirect stake in the major base metals development at Black Mountain in the northern Cape.

In total, Gold Fields' net assets are worth between 620p and 700p a share, depending on the computation. Yesterday De Beers was buying shares at 615½p.

Over the last 10 weeks De Beers has probably spent over £150m in buying for itself and its associate, Anglo American Corporation, a 25 per cent stake. Although this gives them an added interest in established mines at a time when capital costs are rising fast for new ventures and a bigger foothold in Australia and the U.S., the investment looks expensive.

If Gold Fields pays dividends of 26p gross a share for the year to June, then the De Beers/Anglo portion would some to less than £10m, a smaller rate of return than a mining group would normally expect.

And, if De Beers/Anglo holds to its undertaking not to seek control or management changes at Gold Fields, then the flow of income from Gold Fields remains outside its control.

All of this suggests that while De/Beers/Anglo may well have been looking for safe and long term investments, the stalking of Gold Fields had other and perhaps more important motives. Such motives are to be found in the structure of the South African mining industry and the political implications of that structure.

Anglo's position of dominant power in the industry has in recent years declined relative to the rise of General Mining, representing Afrikaner financial interests. For General Minig to gain direct or indirect control of Gold Fields of South Africa, after drawing Union Corporation into its web would have been a prize indeed.

It is believed that General Mining was buying shares in Consolidated Gold Fields last October, as a means of winning this prize. Anglo/De Beers also seems to have started buying in October, and it is a fair supposition that the buying was a defensive measure against General Mining.

General Mining and those behind it are close to the South African Government. Any movement of the Government to the right could put De Beers/Anglo — as an Anglo-Jewish concern—under pressure while leaving General Mining untouched. It could have been worth Anglo's while to head off the possibility of this pressure by making certain that Gold Fields remains a separate entity.

But oddly, Anglo's stake in Gold Fields could eventually make life easier for both itself and General Mining in the Chamber of Mines, the governing body of the South African industry.

GFSA is known to be the most conservative of the mining houses, less keen to move on questions of African advancement than Anglo and General Mining. Anglo's stake could be a spur to a more liberal attitude at GFSA when, in South Africa, liberalism has neatly coincided with the need for higher African productivity.

BIDS AND DEALS

Lebanese reject Armitage terms

BY ANDREW FISHER

The Lebanese-owned Ceramics Investments, the largest shareholder in Armitage Shanks, has come out firmly against the £33m bid from Blue Circle Industries, but does not intend to make an offer of its own.

Ceramics, controlled by the Gargour family interests, owns just over 25 per cent of the shares in Armitage, which is Britain's last major independent manufacturer of sanitary ware.

Blue Circle's offer was originally worth around £28m, or nearly 90p a share when the terms were announced late last month. But the bidder's share price has come up in the last two weeks to value the bid at around 105p.

Ceramics has made no secret of its belief that the terms were too low and undervalued Armitage's potential, but earlier left open the possibility of a cash bid by the Gargour group.

Yesterday, however, Mr. Keith Hamer, a director of MEA Investments which advises Gargour, said: "We are not making an offer at this time." Ceramics still thought the terms too low, he added, and "we are not accepting in the present circumstances."

He mentioned the hope that either Blue Circle, which will be sending Armitage shareholders another letter on its bid today, would raise its bid, or that a counter-bidder would emerge.

Mr. John Milne, Blue Circle's managing director, said the group had no present intention of bidding more, though it would have to review this if a third party entered the scene. "As things stand, we will stay where we are."

As well as being the largest producer of ceramics in the Middle East through Lecico, Gargour's interests also cover shipping, insurance, commodities, trading, real estate and tourism.

One member of the family, Mr. Gilbert Gargour, is chairman of Ceramics' London advisers, MEA. The Gargour group operates chiefly in the Middle East, but also has interests in the UK and France.

Burns Philp buys more Hoffnung shares

Burns Philp, the Australian group which has launched a £15.9m cash bid for S. Hoffnung, has acquired 620,000 shares in Hoffnung, through the market. The price paid for the 3.52 per cent stake matched the 80p per share offer price, although vendors will retain the declared interim dividend of 1.485p net per share payable on April 9.

The shares were unchanged yesterday at 89p ahead of the expected publication of a formal defence document.

Advised by Hill Samuel, Hoffnung again called on shareholders to take no action and pointed out that it considered the proposed offer to be "unacceptable and wholly inadequate."

MINING NEWS

'Johnnies' earns more in first half

BY KENNETH MARSTON, MINING EDITOR

vestment mining and industrial Johannesburg Consolidated Investment mining and industrial group continue to advance. For the six months to December 31 they have amounted to R45.7m (£24.3m), or 423 cents (225p) per share, compared with R21.6m for the same period of 1978 and the total of R55.5m for the year to last June. Virtually no normal South African tax is payable because of the company's estimated tax loss which amounted to R49.4m at June 30.

	Six months 31.12.79 Rm	Six months 31.12.78 Rm
Investment income ...	23.8	14.2
Net sundry rev.	4.1	2.1
Prfts. operating subs.	7.4	4.4
Realisation of invests.	12.7	3.5
Making	47.8	24.2
Exploration exp.	1.3	1.4
Net interest paid	0.3	0.2
Depreciation	0.3	0.3
Currency losses	0.2	0.6
Profit before tax	45.7	21.7
Taxation	—	0.1
Profit after tax	45.7	21.6
Preference divs.	2.9	2.2
Ordinary divs.	7.1	3.6
Retained profit	35.7	15.8
NAV per share	R107	R60
Earnings ord. share ...	423c	224c

"Johnnies" has already declared its interim dividend for the current year, this amounting to 100 cents (53.1p) compared with 50 cents for the year to last June when the total reached 255 cents. At the time of the latest interim dividend announcement it was stated that the increase was made partly in order to reduce the disparity between half-yearly payments.

Gold dividends, which had accounted for 16.7 per cent of the group's total investment income for the year to last June, will have been a major factor in the latest profits as will the important diamond and industrial income. Copper revenue should also have expanded via the holding in Palabora.

The sharp rise in the latest surplus on realisation of investments is largely accounted for by the sale, previously announced, of the wholly-owned Barnato Brothers subsidiary.

● comment

"Johnnies" makes the usual caveat that the latest earnings will not necessarily be repeated in the current half year because investment income does not accrue evenly throughout the year and, of course, sharedealing profits fluctuate. Even so, there seems little doubt that current half earnings should match those of the first half. There should thus be a good increase in the total distribution for the year to at least 350 cents compared with 255 cents for 1978-79. Meanwhile, the share price at £34 compares with a net asset value that has risen to R107, or £56.80 per share.

Finland group copper mine in Philippines

A CONSORTIUM of Finnish mining companies led by Outokumpu Oy has been awarded a U.S.$76m (£40.4m) turnkey contract for the construction of an open-pit copper mine and processing facilities in Davao, southern Philippines, reports our Manila correspondent.

The project, owned by North Davao Mining, is expected to cost $141m including the development of roads and the installation of power transmission lines.

Other members of the consortium are Rauma-Repola Oy which will provide the grinding mills and Kone Oy which will provide the crushing and conveying facilities.

The Outokumpu consortium's project is the first of the expected series of Finland's mining ventures in the Philippines. A top-level group from Finnminers, the umbrella organisation of the Finnish mining industry, is currently in the Philippines to conduct negotiations with local companies.

Of the total cost of the North Davao mining project, $119m will be raised through foreign loans and the rest will be met by the local company's equity.

RAND LONDON DOING WELL

Rand London Corporation reports a profit of R2.36m (£1.26m) for the six months to December 31, nearly double the R1.21m earned in the same period of 1978. Earnings per share, on the increased number of shares in issue, equal 19 cents (10p).

Directors report that all group companies performed satisfactorily in the period under review and, in the absence of unforeseen circumstances, earnings of 41 cents a share are forecast for the financial year ending June 30, 1980.

This would represent an increase of 25 per cent over the previous year, despite the reduced holding in Rand London Coal in terms of the recently announced rights offer. It also does not take into account any earnings, attributable to Rand London Corporation, from the proceeds of this rights offer.

The company has announced that it will declare a dividend in September for payment in November.

Commenting on the major events in the past half year, the directors state that it has been decided to erect a coal preparation plant at the Kempslust coal mine at a cost of R2m, most of which will be financed by a five-year loan at a fixed rate of interest. The plant, which is expected to be commissioned in July, will enable Kempslust to produce a lower ash coking coal for which a higher price has been agreed with Iscor.

A subsidiary, Pegmin, is erecting a wet-ground mica plant at Mica, Northern Transvaal. It will produce, initially, 100 tons a month, mainly for the export market. The Feldspar market has shown an encouraging upturn and Pegmin is establishing a new mine near Marydale in the northern Cape.

PACIFIC COPPER RIGHTS ISSUE

Australia's Pacific Copper Ltd. is to make a renounceable rights issue of one new share for every seven already held at 185 cents a share (about 90p). The existing shares were 204p yesterday.

Pacific says that a significant proportion of the funds raised will go towards expansion of the existing Great Greta Colliery, near Singleton, New South Wales, and the continuing exploration and anticipated development of the nearby tenement known as Authorisation 17 (Mitchell's Flat).

The company also states that its two main shareholders—Consolidated Press Holdings with approximately 29 per cent and Pacific Copper Mines of Canada with roughly 24 per cent—intend to subscribe in full to the new issue.

Christian Salvesen ahead 28% to £12.1m in difficult year

DESPITE a continuation of difficult trading conditions, pre-tax profits of Christian Salvesen, food services, properties and seafoods group, rose 28 per cent from £9.5m to £12.1m in the year ended September 30, 1979. Sales were higher at £135.4m against £124.2m.

Mr. L. M. Harper, chairman of the Edinburgh-based group, says trading will again be very difficult in the current year and he will be satisfied if pre-tax profits are maintained at last year's levels. The group's shares are not quoted.

Inflation accounts for 1978-79 show pre-tax profits reduced to £5.62m after adjustments for additional depreciation, £4.9m cost of sales, £2.95m and gearing, £1.33m.

The balance sheets shows the surplus of funds generated at the financial year end was cut from £8.05m to £12,000. The chairman says that cash generated by trading was insufficient to meet expenditure and the shortfall was covered by proceeds of the disposal of assets.

The two major divisions, food services and properties had a much better year and marine also improved on the 1978 performance. Results from seafoods and oil services however were disappointing.

It was possible to limit the effect of high interest rates by holding net borrowings at about £20m—the chairman thinks this level of borrowing is not excessive in relation to profits and capital.

As reported last year Salvesen Offshore Holdings sold Dalmahoy to a Canadian company, enabling the company to reduce its indebtedness to the banks, and since the year-end it has taken the opportunity presented by a strengthening market to sell Dalkeith to a Danish owner.

This sale marks the end of involvement in marine offshore drilling and will enable the group to recover some of the investment from what has for a number of reasons turned out to be a disappointing venture, the chairman says.

	Year 1978-79 £000	Year 1977-78 £000
Sales	135,330	124,210
Trading profit	13,925	11,595
Associates profits	94	†226
Invest. income ...	557	211
Operating profit .	14,576	11,580
Interest	2,438	2,066
Profit before tax...	12,138	9,514
Tax	4,076	4,537
Deferred tax	4,036	—
Net profit	12,098	4,977
Minorities	22	25
Extraord. items ...	3,750	405
Dividends	1,652	1,305
Retained	14,114	3,981
Earnings per share	74.3p	44.8p

† Loss.

Haymarket Publishing denies Dutch merger

Haymarket Publishing Group, the privately owned company whose publications include Age, Management Today and Campaign, is not for sale Mr. Lindsay Masters, the chairman, said yesterday.

Mr. Masters dismissed reports that Haymarket was planning to merge with VNU, a Dutch publishing group. He said that the company has had talks with VNU, which it had known for some years, but these concerned mutual co-operation in the publishing field.

Mr. Masters said that Haymarket talked with many companies but he was adamant that "we would not want to sell."

Mr. Masters said that a substantial minority holding in the company was held by Mr. Michael Heseltine, the Environment Secretary, but he had not been involved in the company's management for about 10 years.

In its last published accounts for 1978 Haymarket showed profits of £3.6m. Some 75 to 80 per cent of profits come from new magazine launches.

STEPHENSON BROS. EXPANSION

Stephenson Bros., the Bradford based manufacturer of industrial soaps, textile processing aids and the Serfax range of chemicals has signed a licence agreement to manufacture the full range of paper making and coating chemicals currently produced by the Bercen Chemicals Company of Rhode Island, U.S.

Plant will be installed to manufacture synthetic sizing agents, paper coating additives and several additional products. The move is seen as a planned expansion for Stephenson into the market for speciality chemicals.

MAPLES COMPLETES FRENCH STORE DEAL

Maple and Co. (Holdings) has completed the acquisition of 92 per cent of the share capital of French company, Armena for a consideration of FFr 8.23m (£914,400 at present rates of exchange). In October, Maples gave details of the proposed acquisition to shareholders and the estimated consideration at that time was FFr 6.61m (£734,000).

The increase of FFr 1.62m (£180,500) is accounted for principally by the company's decision, following a more detailed examination of the Cannes store and a re-assessment of its trading potential, that this store should be retained in Armena for a price of FFr 1.1m (£122,000).

Two payments amounting to FFr 5.85m have already been made, and further amounts of FFr 1.22m and FFr 1.17m will be paid on November 1, 1980 and November 1, 1982 respectively.

CROWN HOUSE PROPERTY SALE

SUBJECT TO shareholders' approval, Crown House has agreed to sell the freehold property at Station Road, Redhill, Surrey.

This property was being developed for the group's use but due to a recent change of policy became surplus to requirements.

The consideration is £7,035,000 cash. Development costs remain to be determined finally, but the surplus on disposal is likely to be of the order of £3.4m, giving rise to tax on the capital gain, at current rates, of £1.02m. Liability to development land tax is not expected.

TATE & LYLE SELLS REALITY TO HUKLA

Tate and Lyle has agreed the sale, subject to contract, of its interest in Reality Furniture to Hukla-Werke of West Germany for a nominal consideration.

Tate and Lyle's interest comprises 54 per cent of the 70,000 ordinary shares and all 30,000 cumulative redeemable preference shares. Hukla, which at present owns 10 per cent of the ordinary shares, will provide loan facilities to Reality.

Completion is expected by the end of February.

SCOTTISH TRUST BACKS LEXITYPE

Equity and loan capital has been put up by General Scottish Trust, an Edinburgh investment trust, for Lexitype Holdings—a London, City-based group co-ordinating the interests of Lexitype and Lexiscan.

Lexitype specialises in typesetting, while its sister company, Lexiscan, holds the UK franchise for Burroughs-manufactured OCR page readers, designed for interfacing to word processing systems.

J. SHAKESPEARE CHOOSE PAYMENT

As provided for in the take-over agreement with Wheway Watson a number of Joseph Shakespeare ordinary holders have elected to vary the balance of shares and loans notes they are to receive from that set out in the basic offer.

As a result holders of 0.65m Shakespeare shares have requested additional loans notes while holders of a further 2.9m want more Wheway Watson shares.

Elections for the additional Wheway Watson shares will be scaled down pro rata, so that a holder of 1,000 Shakespeare, prior to the proposed 4 for 1 scrip, seeking payment entirely in shares will receive 1,164 Wheway shares and £129.02 in loan notes, and so on.

This compares with the basic entitlement under the offer of 950 Wheway shares and £160 in floating rate unsecured loan notes 1985.

Wheway had, by Tuesday, received 92.9 per cent acceptance on the ordinary and 90.9 per cent on preference capital and the offer has been made unconditional.

JOHN LAING DISPOSAL

John Laing Construction has made arrangements to dispose of its 40 per cent shareholding in Ingeco Laing for a nominal consideration.

Futura Hldgs. expects reduction

The directors of Futura Holdings, footwear manufacturer and distributor, expect pre-tax profits for the year to December 31 1979 to be in the region of £161,000. This is in line with their midway prediction that the surplus would be less than last year's total of £168,665.

The current order book is satisfactory, they add, but profit margins are still restricted by continuing increases in material costs and wages, together with a high level of imports. It is too early to attempt to forecast profits for 1980, the consider.

At the interim stage this year there was a pre-tax loss of £44,828 (£20,408 loss) and an interim dividend of 1.05p was announced—a total of 2.45p was paid in the previous year.

Metal Closures recovery in South Africa

The year 1979 has confirmed the recovery of Metal Closures, the 76.9 per cent-owned South African subsidiary of the UK group.

Profits rose 26.9 per cent, from R2.38m to R2.92m, based on a 36 per cent turnover advance. Profits are not strictly comparable as during the year the company changed from a FIFO to LIFO accounting method. Before the adjustment, pre-tax profit was 47.9 per cent ahead at R3.41m.

Dr. M. D. Marais, chairman, reports that increased demand for products was recorded

Phelps Dodge profits climb

ANOTHER major producer of base metals to report an advance in 1979 earnings, notably in the final quarter, is America's Phelps Dodge. Net income for the fourth quarter of 1979 has climbed to $37.6m (£16.4m) to make a year's total of $110.8m, or $5.06 per share, compared with $30.1m in 1978.

The dividend for the first quarter of this year is being stepped up to 35 cents from the regular 30 cents paid for the fourth quarter of 1979.

Mr. George B. Monroe, the Phelps chairman points out that the key factors in the rise in earnings have been the record sales of copper (335,500 tons) and the higher prices that have accompanied a reduction of excess copper stocks in the world.

He adds that if the copper price remains strong and the 1980 labour negotiations are satisfactorily resolved, "we should do considerably better this year than in 1979."

Outside copper there are two factors that should help this year's results. The first is the Western Nuclear uranium subsidiary which has now completed deliveries under low-priced sales contracts and which should move from losses to profits.

The other factor is the Phelps' stake of 49 per cent in the big Black Mountain base metal mine in South Africa—the other 51 per cent is held by London's Consolidated Gold Fields group—which is expected to reach full production in the first half of this year.

Cleveland mine to continue

THE TROUBLED Boulby potash mine in Yorkshire of Cleveland Potash is now out of its "touch and go" period and is regarded as a normal ongoing mining operation by its partners, Charter Consolidated and Anglo American Corporation of South Africa.

Last year it looked as if the loss-making mine, in which some £120m has been invested, would have to be closed down.

But it was given a further chance and it is now stated that: "Taking account of the improving production rate and the forecasts of future output, the partners have decided to continue operations."

A spokesman for the partners said yesterday that hoisting and milling results had been "encouraging." Figures for last month of 145,500 tonnes of potash rock hoisted and 146,100 tonnes milled were virtually on target.

It is hoped that these figures will further improve.

Glanfield Lawrence slow start

A slow start to the new financial year is reported by Mr. John R. Glanfield, chairman of Glanfield Lawrence, motor vehicle distributor and engineer.

With sales lower and high interest rates and wage settlements the company is entering the Eighties with an unsettled market. Demand in the initial period will undoubtedly fluctuate, he says, but should soon steady and recover.

The group has a good balance of franchises and all its manufacturers have models either planned or shortly available, eminently suitable for its customers and the decade.

Mr. Glanfield adds: "With a regular supply position now available, we have an opportunity to reach our full potential if the economic climate permits, especially with Vauxhall whose market penetration must surely regain its former levels."

As reported on January 26, 1980, pre-tax profits for the year to September 30, 1979, doubled from £70,906 to £156,165

Yearlings rise to record 16⅛%

The coupon rate on this week's batch of local authority yearling bonds is a record 16⅛ per cent, against 16 per cent last week. Issued at par, the stocks mature on February 18, 1981.

The issues are: London Borough of Camden (£1.5m), Strathclyde Regional Council (£2m), Cleveland County Council (£1m), Monklands District Council (£0.75m), Stafford Borough Council (£0.5m), City of Stoke-on-Trent (£1m), City of Kingston upon Hull (£1.5m), West Derbyshire District Council (£0.5m), South Wight Borough Council (£0.25m), Bury Metropolitan Borough Council (£0.5m), City of Salford (£0.5m), City of Winchester (£0.5m), and West Somerset District Council (£0.5m).

NORTH AMERICAN NEWS

Mitsubishi finance deal for Chrysler

BY IAN HARGREAVES IN NEW YORK

MITSUBISHI MOTORS of Japan bas agreed to finance for the naxt two months lts imports of cars to the U.S. bandled by the Chrysler Corporation.

The move is designed to give Chrysler breathing space in which the struggling number three U.S. carmaker hopes to renegotiate letter of credit arrangements with a syndicate of Japanese banks to cover the imports.

These letters of credit were withdrawn last September wheo Chrysler's financial problems led it to break the terms of the loans. Since then, Chrysler and Mitsubishi have muddled through with a series of temporary financing mechanisms.

Last year, Chrysler's 185,000 Mitsubishi imports accounted for over 16 per cent of Chrysler's total U.S. car sales and allowed the company to boost significantly its market range in the crucial high mileage, small car sector. The vehicles are sold under the Chrysler Plymouth and Dodge marques.

A lengthy joint statement from the two companies yesterday, bowever, steered clear of commitments about the longer term relationship between Chrysler and Mitsubishi, in which the American company has an equity stake.

Mitsubishi is known to bave been exploring for aome time alternative dealer oetwork for its vehicles, which Japanese officials bave suggested are not being pushed as strongly as they ought to be.

Mitsubishi did confirm, bowever, that it intends to go ahead with production of 200,000 four cylinder 2.6 litre engines for Chrysler's K-car economy vehicle series, which is due to be unveiled this autumn.

Meanwhile pressure on the Japanese motor industryto make direct investment in the U.S. is stepping up on all sides

Earlier this week, the Japanese Government formally told Nissan and Toyota, the two largest companies, that it wanted them to look seriously at investing in the U.S.

Mr. Douglas Fraser, president of the United Autoworkers Union meanwhile, is in Japan meeting Government and car Industry officials. He is spreading the word abont bis union's intention to seek protectionist controls against importers who do not include a certain percentage of U.S.-made parts in their vehicles.

Ford Motor, also appears tn be developing a harder line on the imports question. Mr. William O. Bourke, a Ford executive vice president told a dealers' conference in New Orleans that he supported the union's initiative to curb Japanese imports

Last year, car imports took 21.5 per cent of U.S. car sales. In Janoary, the figure rose to 26 per cent.

Quarterly loss at American Airlines

By Our New York Staff

AMERICAN AIRLINES, the second largest U.S. air carrier, lost $3.8m in the final quarter of last year. Like other major airlines, American ran up against soaring fuel costs which caused losses in spite of a 10 per cent increase in revenue passenger miles in the period.

The quarterly losa compared with earnings of $7.3m in the same quarter of 1978. For the year, the company reported earnings of $87.4m, down from the 1978 record of $134.4m. Sales were up 18.9 per cent at $3.25bn.

United Brands doubles profit

By Our Financial Staff

UNITED BRANDS, the leading producer and marketer of bananas and meat packing operator, increased net earnings to $1.33m, or 7 cents a share, in its second quarter ended December 31, 1979, from $700,000 or 2 cents a share, in the comparable period of the previous year. Sales rose to $951.6m from $831.4m.

Net earnings for the first six months totalled $3.87m, or 25 cents a share, compared with $2m, or 8 cents, in the first balf of 1978-79. Revenue was up to $1.82bn from $1.62bn.

Energy boosts R. J. Reynolds

BY OUR NEW YORK STAFF

R. J. REYNOLDS, the largest cigarette manufacturer in the U.S. and owner of the world's biggest containar shipping fleet, increased net earnings by 25 per cent to $551m last year. This was in spite of sharply reduced profits at Sealand, the ahipping company, and lacklustre results from the company'a latest major requisition, the Del Monte Foods group in the fourth quarter. Net income for the qnarter was up by 11 per cent at $135m, although the per share gain of 3 per cent to $1.25 was lower, reflecting a stock split in the period. Sales for tha year were up 33 per cent at $8.94bn.

The strongest growth at R. J. Reynolds was in its Aminoil energy subsidiary and at R. J. Reynolds Tobacco, which makes Winstoo and Salem cigarettes. The tobacco operation saw sales increase by 8.1 per cent to $3.18bn and aarnings from operations by 11 per cent to $720m last year.

Aminoil operatioos earned $65.5m against $17.2m in 1978, despite a 10 per cent fall in sales to $623m dne to curtailment of Iranian operations and the sale of a home heating subsidiary.

The company's energy interests have continued to expand with the purchase at the end of last year of the remaining 49 per cent of Signal Petroleum of Louisiana which Reynolds did not already own.

Sealand, bowever, continues to suffer from world overcapacity in container shipping and cut-throat price competition. The company recently announced thet it would pull ont of any price-fixing conference in some of its transpacific trades in an attempt to improve its pricing flexibility and market share.

Sealand's sales increased 11 per cent to $1.22bn last year, bnt operational earnings fell by more than half from $119m in 1978 to $58.3m last year.

Food activities, of which Del Monte accounts for the lion's sbare, had sales of $1.96bn and earnings of $127.5m. Previous year comparisons are not relevant because Del Monte was only bonght in Febroary of last year.

Lone Star tops its forecast

BY OUR FINANCIAL STAFF

PREDICTIONS OF sustained sales of cement despite the expected decline in domestic building are borne out by results for 1979 at Looe Star Industries, the largest prodocer in the U.S. The group has beaten forecasts with its report of share earnings for 1979 of $5.15, against $2.69 in the previous year. Total net is 84 per cent higher at $56m, with sales 24 per cent up at $792.5m.

A quickening in the pace of expansioo is disclosed by results in the final quarter, wben earnings pnt on 87 per ceot to $16.3m, with the sbare total at $1.57, against 77 cents. At the nine-month stage, Lone Star was showiog sales gains of 23 per cent and earnings gains of 82 per cent, with analysts forecasting year-end earnings of $5 a share.

The improvement in the final quarter is empbasised by the company's exclusion from the 1978 figures of a $3.9m gain on discontinued buildiog centre operations.

Loue Star, which earns 51 per cent of its profits from cement operations and bas capacity for production of 6.9m tonnes, expects to push sales further in 1980.

Bank of Montreal to raise C$164m

By Our Financial Staff

BANK OF MONTREAL, Canada's second largest chartered bank in terms af profits, plans to raise C$164m through a one-for-seven rights issue.

The share offer, which is priced at C$23.50 compared to C$27 in the market yesterday, will provide the bank with new funds equal to something like an eighth of its current stock market capitalisation.

The bank last raised capital by way of rights in the autumn of 1978 when shareholders put up C$122m in new funds. At October 31, 1979, total assets were C$38.2bn, while deposits amonnted to C$33.7bn. Net profits for the year were C$228.6m, up almost a fifth.

Explaining the background to the funding, Mr. William Mulholland, chief executive, said yesterday that the new funds would be used to expand the bank's equity base. This would eoable the bank to "meet the equity requirements of the beavy capital demands expected in Canada over the next few years."

Early last year Bank of Montreal failed to buy itself a toehold in the U.S. retail banking market wben agreement on the purchase of 89 branches ($1bn of banking assets) belonging to Bankers Trust foundered.

Reliance pulls out of Penn Central

By David Lascelles in New York

RELIANCE GROUP, the diversified insurance concern beaded by Mr. Saul Steinberg, bas sold to Penn Central the 1.8m shares in the company which it accumulated over the past few months.

This appears to pnt to an end Reliance's supposed attempt to take over Penn Central, which is the reorganised remains of the large railroad company which went bankrupt nine years ago. Today, it has interests in amusement parks, property and energy. It recently bought Marathon Manufacturing, the large oil rig maker.

Profits slip at Federal-Mogul

By Our Financial Staff

A DOWNTURN in earnings in the final quarter of 1979 at Federal-Mogul, manufacturer of bearings for trucks, motor cars and farm equipment, is likely to continne into the first quarter of this year, says the Beard. But subsequent quarters will improve and the group expects 1980 results to be reasonably close to the record $42.1m or $3.31 per share of 1979—compared with $368.6m or $2.83 in the previons year.

In the final qnarter, earnings slipped from $9m or 70 cents a share to $8.1m or 65 cents, with sales at $168.2m against $147.5m.

Dome purchases Kaiser Resources oil interests

BY OUR NEW YORK STAFF

DOME PETROLEUM, a rapidly growing Vancouver-based oil and gas company, is to pay $700m for most of the Canadian oil and gas interests of Kaiser Resources. The move will also have the effect of injecting much needed cash into the struggling Kaiser Steel Company of California.

Kaiser Steel, which owns 32.5 per cent of Kaiser Resources, is involved in the deal because Kaiser Resources said that it would follow up the sale to Dome with an offer to buy 9m of its own shares at $43 per share.

Kaiser Steel immediately made it known that it wnuld tender all of its shares for sale, but because the share purchase offer is pro rata against the company's entire issue of common stock, it is possible that Kaiser Steel will not be able to sell its entire holding.

The second most important group nf Kaiser Resources shareholders, comprising nine Japanese steel companies, has indicated, bowever, that it does not wish to sell its 27 per cent stake.

At the offer price, Kaiser's holding is worth $374m. The deal is to a large extent an internal shuffle, as Mr. Edgar Kaiser, who bas been head of Kaiser Resources since 1973, was last August elected chairman nf Kaiser Steel in succession to bis father.

Shortly after that Mr. Kaiser launched an attempt to sell much of the steel company to Nippon KK of Japan, but the Japanese were apparently scared away by the scale of Kaiser's problems, which have resulted in 13 successive quarterly losses.

Kaiser's steel nperations lost $39m last year and there has been speculetion in Wall Street that Mr. Kaiser's real intention is to liquidate Kaiser Steel.

The company said yesterday that it would use its new funds for "general corporate purposes" and wherever the money could obtain the greatest return.

Dome Petroleum will receive from Kaiser Resources assets currently producing 25,000 barrels of crude oil and 77m cubic feet of natural gas per day. In addition the company will take over certain oil and gas rights.

Kaiser Resources is retaining its interests in the Sable Island and Beaufort Sea oil and gas exploration, as well as big coal activities in Canada, oil interests in the U.S. and a 7.7 per cent stake in the Brae Field in the North Sea.

Last year Kaiser Resources earned $61.7m on sales of $494m. It said that $322.5m of the proceeds of the sale tn Dome would go to pay off debt, leaving a $230m after-tax gain.

Poor first quarter for Mayer

BY OUR FINANCIAL STAFF

OSCAR MAYER, the meat products group, bas mede a poor start to the current fiscal year with earnings for the first quarter slipping from a comparative $12.11m or 76 cents e share to $11.52m at 72 cents a share. In contrast, sales increased by 11 per cent, from $369m to $410.1m.

The latest figures, which take in the results of Louis Rich, ecquired on December 20, 1979, exclude an extraordinary loss of $1.75m or 11 cents a share from early settlement of Louis Rich debt. They do include, bowever, unrealised geins from foreien currency translatioo of $1.99m, against $506,000 in 1979, and teke in e loss of 5 cents a share or $8m from the LIFO method of valuing inventories.

Oscar Mayer said its operating earnings, before currency gains and the pooling of Rich, fell 8 per cent in the quarter to 66 cents a share.

International nperations $1.6m less than a year ago, mainly due to a weakening of the Japanese yen. Its Japanese affiliate had almost unchanged earnings in yen, but lost $1.6m in currency translation.

The Spanish subsidiary had a small loss compared with a significant loss a year ago, and the Venezuelan meat subsidiary had higher profits.

Domestic diversified companies had better results than in 1979, and sales of brand-identified processed meats rose 3.5 per cent. Fresh meat sales fell 11 per cent.

Pooling of Louis Rich results diluted income by 8 cents a share. Rich contributed sales of $39.7m and a net loss of $99,000 for the first quarter, compared with $36.7m and a $1.14m profit for the same quarter a year before.

Oscar Mayer said, however, that it is optimistic about the contribution Rich will make to net income in the future. The group added that its food service division continued to grow and it expects total food service sales to rise significantly.

Strong growth at W. R. Grace

BY OUR NEW YORK STAFF

W. R. GRACE, the New York-based chemicals, energy and foods group, increased oet profits by 33 per cent last year to $222.6m, belped by strong growth in demand for its agricultural fertilisers and continued healthy performance in its large special chemicals division. Sales increased by 18 per cent to $5.26bn.

Grace's natural resources operations in oil and gas also made "outstanding gains" in the year, the company said.

In the final quarter, net iocome was up 66 per cent to $63.9m on sales 20 per cent higher at $1.47bn. Excluding accounting changes, and divestments in the final quarters of both 1978 and 1979, however, the increase was 43 per cent.

Special chemicals accounted for over half of the company's earnings. Restaurant interests and some other consumer activities, however, were less profitable last year than in 1978.

Foreign currency translation and divestments did not have a significant effect on 1978 results, but had a favourable net effect of $6.1m in 1979. Excluding these factors from both 1979 and 1978, net income was $216.5m or $4.88 a share in 1979, against $170.9m or $3.98.

In the fourth quarter of 1979, excluding the effect of FASB No. 8 and divestments from both fourth quarters, per share earnings were $1.39 against 97 cents.

Silver price rise hits Kodak

BY OUR NEW YORK STAFF

KODAK, the U.S. photographic giant, reported reduced fourth quarter earnings mainly as a result of the soaring cost of silver. But the company said that it was determined to protect its earnings until better economic conditions arive and substitutes for silver are found.

Earnings for the quarter were $294.7m, or $1.82 per share, down 11 per cent on the $331.4m, or $2.05, earned in 1979. But sales increased from $2.3bn to $2.6bn.

Kodak did not say bow much its silver costs had risen, but it listed the cost of its goods sold as $1.63bn in the quarter, up from the previous year's $1.38bn.

Kodak's full-year earnings were $1bn, up from $902m earned in 1978. Earnings from the company's photographic segment were $1.37bn, identical to the year before. Total sales were $8.03bn, up from $7.01bn in the previous year.

Mr. Walter Fallon, the chairman, described the past year as one of "nnusual challenges."

AMERICAN QUARTERLIES

BURNDY CORPORATION	1979 $	1978 $
Fourth quarter		
Revenue	61.9m	49.3m
Net profits	5.81m	4.16m
Net per share	0.90	0.67
Year		
Revenue	229.6m	180.6m
Net profits	21.4m	15.4m
Net per share	3.44	2.46

CAPITAL CITIES	1979 $	1978 $
Fourth quarter		
Revenue	115.1m	101.6m
Net profits	18.64m	14.83m
Net per share	1.39	1.06
Year		
Revenue	414.9m	367.5m
Net profits	63.76m	54.03m
Net per share	4.68	3.80

CENTEX	1979 $	1978 —
Third quarter		
Revenue	269.6m	222.2m
Net profits	9.19m	7.66m
Net per share	0.79	0.67
Nine months		
Revenue	770.2m	636.0m
Net profits	25.42m	23.59m
Net per share	2.20	1.84

COMMUNICATIONS SATELLITE	1979 $	1978 $
Fourth quarter		
Revenue	69.5m	59.4m
Net profits	7.54m	9.78m
Net per share	0.94	1.22
Year		
Revenue	262.6m	211.1m
Net profits	40.19m	34.24m
Net per share	5.02	4.28

HOMESTAKE MINING	1979 $	1978 $
Fourth quarter		
Revenue	68.6m	48.4m
Net profits	19.35m	5.75m
Net per share	1.70	0.86
Year		
Revenue	234.8m	173.3m
Net profits	81.39m	31.0m
Net per share	5.41	2.74

KERR-McGEE CORPORATION	1979 $	1978 $
Fourth quarter		
Revenue	775.5m	543.5m
Net profits	40.39m	40.0m
Net per share	1.56	1.55
Year		
Revenue	2.7bn	2.1bn
Net profits	160.0m	118.19m
Net per share	6.18	4.57

KROGER	1979 $	1978 $
Fourth quarter		
Revenue	2.25bn	1.99bn
Net profits	27.74m	30.09m
Net per share	1.01	1.11
Year		
Revenue	8.03bn	7.83bn
Net profits	85.72m	84.59m
Net per share	3.13	3.11

NEW YORK TIMES	1979 $	1978 $
Fourth quarter		
Revenue	184.1m	115.2m
Net profits	11.6m	2.5m
Net per share	0.97	0.21
Year		
Revenue	653.1m	490.6m
Net profits	36.4m	15.6m
Net per share	3.06	1.32

A. H. ROBINS	1979 $	1978 $
Fourth quarter		
Revenue	107.2m	95.5m
Net profits	22.76m	5.64m
Net per share	0.87	0.22
Year		
Revenue	386.4m	357.1m
Net profits	44.75m	29.92m
Net per share	1.71	1.15

TEXAS GAS TRANSMISSION	1979 $	1978 $
Fourth quarter		
Revenue	284.9m	181.1m
Net profits	26.62m	18.59m
Net per share	1.27	0.89
Year		
Revenue	959.8m	624.3m
Net profits	79.02m	60.39m
Net per share	3.74	2.88

TRANSCO COMPANIES	1979 $	1978 $
Fourth quarter		
Revenue	468.9m	283.9m
Net profits	22.4m	13.3m
Net per share	0.97	0.58
Year		
Revenue	1.5bn	953.8m
Net profits	68.4m	55.9m
Net per share	2.96	2.45

WILLIAMS COS.	1979 $	1978 $
Fourth quarter		
Revenue	460.1m	340.6m
Net profits	23.42m	†1.84m
Net per share	0.86	†0.07
Year		
Revenue	1.85bn	1.50bn
Net profits	69.45m	10.99m
Net per share	2.85	0.40

† Loss.

EUROBONDS

Dollar sector prices again drift lower

BY OUR EUROMARKETS STAFF

THERE WAS still no end in sight yesterday to the slide in the price of interoational dollar boods. The market took its cue from the previous day's falls in New York and opened with quotations marked down by ¾-1 per cent. Prices firmed a little io the middle of the day but were drifting down again at the close to finish down by ¾-1 per cent.

The U.S. bond market was sbut yesterday for Lincoln's birthday and, in the absence of strong currency movements, the international market was thus deprived of its dominant influence. But traders clearly expected New York's receot weakness to continue today. They reported no sign of outside buying, though swapping and trading betweeo market makers was pretty active.

As examples of the market's weakness one trader cited the EDF 9¾ per cent 1986 which dropped by ¾ over the day to 85½ and the Norway 8¾M83s which were down a point to 87¾—quite a marked fall for a bond of so short a maturity.

D-Mark foreign bonds extended their recent weakness to close about ½ down on the day overall, though this did represent a modest recovery from lows reached during the morning.

Bankers in Frankfurt connected the movement to the performance on the grey market of the latest DM 250m issue by Australia. This hed opened at a discount of 1½ points on its par issue price.

But when allotments were announced by lead manager Deutsche Bank later in the day they turned out to be smaller than expected and this pushed the price up as high as 100½ before it settled back to finish around par.

The Swiss franc sector was mixed with some of the recent steam apparently gone ont nf the market.

Net losses on the day averaged about ¼ overall but this still left the market about two points up on the week. A further measure of confidence was injected by the final terms for the Republic of Austria's SwFr 100m, ten-year issue.

This was awarded a 5½ per cent coupon and par issue price by lead manager Union Bank of Switzerland, and the terms represent a step down from the 5¾ per cent coupons awarded to recent issues.

●Finance for Industry (FFI) the UK lending institution, said it had completed the setting up of an offshore finance vehicle in Holland, thus reopening the door for future Eurosterling bond issues.

However, the currently depressed gilt and sterling bond market rules out a new sterling bond issue for the moment, Mr. Donald Clarke, FFI's assistant general manager in charge of finance, told Reuter.

John Wicks adds from Zurich: The international securities clearing systems Cedel and Euro-clear have announced agreement in principle on a further improvement of their inter-system co-operation. According to Euro-clear in Zurich, it is intended that transfers of securities between the two systems should be carried out on a book entry basis. This is seen as improving the service in the international securities market.

SVENSKA HANDELSBANKEN

Dividend lifted as earnings increase

BY VICTOR KAYFETZ IN STOCKHOLM

SVENSKA HANDELSBANKEN reports a 17 per cent rise in pre-tax profits for banking operations to SKr 950m ($229m) for 1979. This compares with a forecast that earnings would be only "somewhat higher" than in 1978 due to the increase in the Swedish discount rate and the tougher competition for deposits since last July.

The board recommends raising the dividend by SKr 0.60 to SKr 4.30 per share. Income rose 13 per cent to SKr 1.89bn, including a 15 per cent increase in net interest earnings and a 3 per cent rise in commissions. Costs were up only 9 per cent to SKr 944m.

A new regulation requires Swedish banks to include historically calculated losses on lending among operating costs in 1979. The previously-published 1978 earnings figure of SKr 833m has accordingly been adjusted down to SKr 815m.

SHB's competitor Skandinaviska Enskilda Banken (SEB) recently reported 1979 earnings for banking operations 7.8 per cent higher than in 1978 at SKr 850m, thereby falling short of a predicted 10 per cent improvement. SEB's income rose 9 per cent but costs were up nearly 10 per cent.

Svenska Handelsbanken's preliminary report states that its total deposits rose over 14 per cent to SKr 28.7bn. SHB's share of Swedish commercial bank deposits dropped 0.2 points to 20.6 per cent.

On the other hand, SHB's lending was up more than 16 per cent in 1979 to SKr 29.6bn, a 0.3 per cent increase in market share to 23.5 per cent.

After extraordinary items, appropriations that include a very large SKr 500m allocation to the reserve for bonds — up from SKr 40m for 1978 — and after taxes, SHB has a net profit in 1979 of SKr 161m, down from SKr 190m.

The SHB group, including real estate, finance and credit subsidiaries and a Luxembourg-based bank, reports a 15.5 per cent increase in pre-tax earning to SKr 1.1bn and a balance sheet which rose 15 per cent to SKr 67.2bn.

● Papyrus, the Swedish pulp, paper and timber group reports a 1979 pre-tax profit of SKr 178m ($43m) on sales of SKr 2.06bn. This comfortably exceeds the October forecast that September-December earnings would only be "a somewhat higher level" than the average for each of the preceding four-month periods. January-August earnings were SKr 81m.

The board proposes a dividend of SKr 6 per share for a total payment of SKr 35m. The preceding dividend, SKr 3, was for the eight-month period May-December 1978, when pre-tax profit was SKr 43m on turnover of SKr 1.2bn.

The 1979 earnings includes stock gains of SKr 29m whereas the corresponding figure for May-December 1978 was zero.

Extraordinary items for 1979 included gains of SKr 106m on sales of real property against SKr 13m in the final eight months of the preceding year.

Shipping and leasing lift Nordic Bank profit

By Michael Lafferty

NORDIC BANK, the consortium bank owned by four Scandinavian banks, reports that business during 1979 was satisfactory in all divisions. By far the largest contribution to the bank's £10m pre-tax profit comes from general banking activities but the most profitable were shipping, representing about 18 per cent of lending, and leasing.

The results this year include a full consolidation of the new Swiss subsidiary, Nordfinanz-Bank Zurich, on a UK accounting basis. On a comparable basis, 1978 pre-tax profits, originally reported at £3.2m, would probably be about £8m.

During the year loans repayable in less than one year declined by 1 per cent, while total lending increased by 14 per cent. Nevertheless the average maturity has only increased from 2¼ to 2½ years.

In order to cover the exchange risk on the Swiss bank acquisition Nordic arranged two medium-term Swiss franc loans for a total of £26.7m during the year.

Total capital funds now stand at £135.4m, against £96.6m last year. This includes equity and minority interests of £70m and loan capital of £65.4m, of which £30.3m is subordinated. Total lending amounts to £777m and Nordic is relaxed about the Bank of England's proposed capital adequacy rules.

The bank also says that its limits on open foreign exchange positions are in line with those put forward in a Bank of England paper recently sent to the British Bankers Association.

BSN moves back into the ice cream industry

BY DAVID WHITE IN PARIS

FRENCH FOOD group BSN-Gervais-Danone, has made the first of its expected investments in the sector by staging a comeback in the ice-cream industry.

The group announced deals which give it control of two companies, Frigecreme in Nantes in Western France and Guerraz-Nouki, based in Haute Savoie.

It has agreed to buy two thirds of the capital of Frigecreme from Nouvelles Galeries, which took over the ice-cream maker last year. It is expected to absorb the remainder of the capital later, in a deal valued at between FFr 40m and FFr 50m ($10m to $12.5m).

Together with the takeover of the smaller Guerraz-Nouki, in which it bought a 45 per cent stake in 1978, the move is expected to bring additional sales of FFr 300m to the BSN Gervais-Danone Group. Beside ice-cream, Guerraz-Nouki also makes deep-frozen products.

The acquisitions take up of a fraction of the £120m which BSN-Gervais-Danone has to spend after the sale of its float glass interests outside France to Pilkington Brothers of the UK last September.

But they confirm the group's ambitions of becoming a bigger force in the food industry, where its main interests so far have been dairy products and beer. The deals will give it an important, although not a leading, stake in the French ice-cream business which the group dropped out of some years ago by selling its 15 per cent interest in France-Glaces, controlled by Nestle. It ceded its Gervais trade-mark for ice-cream at the same time.

● Pechiney Ugine Kuhlmann, the largest industrial company in France, has increased sales by more than a fifth in 1979 to FFr 33.8bn ($8.45bn) from FFr 27.7bn.

The company's metals divisions continue to account for the largest portion of group sales, contributing FFr 14.7bn to the total against FFr 11.8bn in 1978. Chemicals moved ahead to FFr 5.9bn from FFr 4.9bn, while light industry moved up to FFr 7.3bn from FFr 5.9bn.

PUK is the largest aluminium producer in Europe, and last year sales of technology abroad increased to FFr 5.9bn from FFr 5bn.

Air Liquide expansion

PARIS — Societe l'Air Liquide, a leading producer of industrial gases, expects to post a 15 per cent increase in sales and earnings for 1980 and expects to pay a "normal" dividend.

The company paid a net dividend of FFr 11 for 1978 followed by a one-for-ten scrip in the course of last year. Consolidated net earnings rose to FFr 369.3m ($92.32m) from FFr 325.4m in 1977 and consolidated sales advanced to FFr 7.3bn from FFr 6.9bn.

Yesterday the parent company reported a rise of 16 per cent in 1979 sales to FFr 2.81bn.

Agencies

Price rises help Dyno Industrier

By Fay Gjester in Oslo

DYNO INDUSTRIER, Norwegian manufacturers of plastic chemicals and explosives, said sharply increased prices for petro-chemical products, a rise in exports, and a fall in net financial costs contributed to higher turnover and profits in 1979. A dividend of NKr 11 per share is being recommended compared with NKr 10 for 1978.

A preliminary report says that group sales reached NKr 1,527m ($314.9m), compared with NKr 1,37?m in 1978. Pre-tax profit rose by NKr 20m to NKr ?0m ($10.28m).

Dyno's profits from its 40 per cent interest in a new methanol plant in Holland, are not included in the group figures. Last year was the first full operating year for a new 350,000 tonnes per year plant.

Berlin plant for Tetra Pak

BY LESLIE COLITT IN BERLIN

THE WEST GERMAN subsidiary of Tetra Pak, the Swedish company, has chosen West Berlin as the site for a new DM 100m ($57.5m) factory, its second in West Germany. The new plant will produce DM 100m worth of milk and fruit juice cartons annually for the West German market. Tetra Pak claims to be the leading manufacturer of cartons outside the U.S., with production in 15 factories.

The Berlin investment is the second substantial one this year for the city. Ford announced last month that it is to build a DM 130m plant in West Berlin to produce plastic components for its cars.

In both cases, West Berlin's investment incentives, unequalled in Germany, were decisive in attracting the companies to the city which lies 110 miles inside East Germany.

Herr Gunther Luedecke, head of the German Tetra Pak group, said that in a situation in which competition is intensifying, further rationalisation is impossible and only small price increases can be implemented. "The most economic location is decisive for improving profitability," he said.

The company said that West Berlin was an ideal location, because it is equidistant from the company's main markets in West Germany. In addition important raw materials (paper) will come from Scandinavia and Berlin's location, adjacent to the new East German autobahn to the North, is also said to be an advantage.

The first stage of the carton factory is to be completed by May, 1981, and full production should be reached in 1983. Although Tetra Pak has not released financial details, they are thought to be similar to those of Ford, under which the City of Berlin purchased the site for the Ford plant and gave the company a long-term lease.

In new investment such as Tetra Pak's the city also reimburses 12.5 per cent of building costs within four months of the calendar year in which they are invested. European recovery programme loans are available for 44 per cent of the building costs at 3.5 per cent for up to 14 years with the rest provided by the city at 1.5 per cent below prime rate for up to seven years.

West Berlin also provides a rebate of 25 per cent for machinery invested at the end of the year with the remainder financed the same way as with buildings. As much as 75 per cent of the total investment may be written off in the first year, or later.

A comparison of West Berlin and West German companies shows that Berlin companies could boast a return on investment, including write offs, of 13.6 per cent, compared with 10.3 per cent for West German companies.

Rabobank setback

Centrale Rabobank reduced the amount of its bond issue by Fl 20m to Fl 80m ($41.88m) when subscriptions closed yesterday. The issue, over ten years on a coupon of 10½ per cent and priced at par, is the latest casualty on the Amsterdam capital market following several weeks of marked price weakness.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 12

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	82⅞	83⅛	−0¼	−1⅞	13.22
Alex Howden XW 9½ 91	30	†73	75	+0½	−1	14.23
Aquitaine Can. 11½ 85	30	†92¼	92¾	−0⅛	−1⅛	13.41
Australian Res. 9⅜ 84	30	87½	88	−0⅛	−1	13.40
Avco O/S Cap. 10⅝ 87	40	82¼	82¾	+3⅞	+2⅛	14.24
Beneficial Fin 9¾ 87	100	82½	83	−1	−2⅛	13.54
CECA Grad. Rate 12 86	100	92⅞	93⅛	−0⅛	−1⅛	13.67
CECA 11⅝ 90	50	90⅞	91⅛	−0½	−1½	13.32
Canadian Pacific 9¼ 89	50	80⅞	81⅛	−1½	−2⅞	13.46
Carter Hawley 9¾ 86	50	82¼	82¾	−1⅞	−2⅞	14.04
Comalco Inv. E. 10⅛ 91	40	82¼	82¾	−1½	−2⅛	13.28
Continental Grp. 9⅝ 86	100	82¼	82¾	−1⅛	−2¼	13.90
Dome Petroleum 10 94	50	78	78½	−1½	−2⅜	13.47
Dominion Bridge 10⅛ 84	30	86½	87⅛	−0⅛	−2¼	14.48
EIB 11¾ 92	80	88⅞	88⅜	−0⅛	−1⅛	13.78
EIB 10⅛ 87	100	86	87	−0⅝	−1¼	13.63
EIB 10.15 99	100	77⅞	79	−1¼	−1⅛	13.79
Exportfin 11⅛ 87	50	90⅞	91⅛	−0⅛	−1⅛	13.29
Export Dv. Cpn. 9⅜ 84	100	89¼	89¾	0	−0¼	12.71
Export Dv. Cpn. 9⅜ 84	150	89¼	89⅞	−0⅛	−0⅞	12.86
Finland 9⅝ 89	100	82⅝	83⅛	−0⅛	−1⅛	13.25
GTE Finance 9⅜ 89	55	79⅝	80⅛	−1⅛	−3⅝	13.65
GMAC 9⅛ 86	100	82½	83	−1⅛	−1⅞	13.43
GMAC O/S Fin. 11 84	100	93⅛	93¾	−0⅝	−0⅞	12.88
Gould Int. Fin. 9⅜ 85	50	85⅜	85¾	−0½	−1⅛	13.93
ITT Antilles 9½ 89	75	78¼	79	−1⅛	−3⅞	13.76
Kennecott Inl. 9½ 86	100	80⅛	80⅝	−0⅝	−3¼	14.44
Manitoba 9½ 89	75	79½	80	−0⅝	−2⅛	13.49
Michelin 10 84	125	79⅝	80⅛	−0½	−3	13.15
Nat. Des. Telecm. 9½ 86	100	84½	85	−1¼	−1⅛	13.16
New Brunswick 9¾ 9[illegible]	75	75⅛	75⅝	−1⅛	−3⅛	13.80
Newfoundland 10 94	50	76⅛	76⅝	−1⅛	−4⅛	13.90
Norges Komm. 9⅞ 99	100	78½	79	−0½	−2⅛	13.56
Norway 9½ 84	150	88¾	89¼	−0½	−1⅛	13.02
Nova Scotia Pwr. 9⅞ 89	50	79½	80	−1⅛	−2⅛	13.72
Occidental Fin. 10⅝ 84	50	87⅜	88⅛	−4	−3	14.11
Orient Leasing 9½ 86	25	84½	85	0	−0⅝	13.14
Pennwalt O/S F. 9⅞ 84	25	85⅜	86⅛	−1	−3⅜	14.15
Pepsico Cap. 9¾ [illegible]	100	87¾	88¼	−0⅛	−1⅞	13.26
Quebec Hydro 10 [illegible]	75	73⅜	73⅞	−1⅛	−3⅛	13.99
Sears Roebuck 8 [illegible]	150	92½	93	−0⅜	−0⅜	13.35
Statoil 9⅝ 89	100	80	80½	−1½	−3	13.40
Sweden 9⅜ 89	100	80⅛	80⅝	−1⅛	−2⅛	13.56
Sweden 9½ 89	200	87⅜	87⅞	0	+0⅛	12.84
Sweden 9⅜ 84	100	89⅝	89⅞	−0⅛	−1⅛	12.96
Unilever NV 9¼ 8[illegible]	100	80½	81	−1⅛	−3	13.48
Warner-Lambert 9 84	100	86⅛	86⅝	−0⅛	−1⅛	13.21

Average price changes... On day −0⅛ on week −1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk 8 87	100	97⅝	98⅛	+0⅛	−0⅛	8.40
Asian Dev. Bk. [illegible] 89	100	90½	91¼	−0⅛	−1⅛	8.69
Barclays O'seas 6⅞ 89	100	90⅛	90⅝	0	−0⅛	8.28
BFCE 7⅞ 87	100	98	98½	−0⅛	−1⅛	8.09
BFCE 8⅛ 95	100	95⅞	96⅜	−0⅛	−1⅜	8.58
Brazil 8 87	150	92⅝	93⅛	−0½	−0½	8.28
CECA 7 91	150	91	91½	0	−0⅛	8.20
Council of Eur 7⅛ 89	100	92⅛	92⅞	−0½	−1⅞	8.44
Denmark 7⅞ 8[illegible]	100	96½	97⅛	−0⅛	−1⅛	8.56
Denmark 8⅛ [illegible]	100	97⅝	98⅛	0	−0⅞	8.62
EEC 7⅛ 84	225	95	95½	−0⅛	−2	8.44
EIB 7½ 89	200	95⅝	96⅛	−0⅛	+0⅛	8.15
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week +2

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10⅛ 86 CS	25	81¼	82	−0⅛	−2⅛	14.93
Bell Canada 10¾ 86 CS	80	88⅜	88⅞	−0½	−3¼	13.44
Cr. Foncier 10⅜ 84 CS	30	88½	89¼	+0⅛	+0⅛	13.75
Ex. Dev. Cpn. 10 84 CS	50	87⅞	88½	−0½	−2¼	13.83
Fst. Can. Inv. 10 84 CS	50	87¼	87¾	−1	−1½	14.06
Hudson Bay 10⅛ 89 CS	60	84½	85	−1½	−0⅛	13.47
Quebec 10⅛ 86 CS	50	86	87	−0½	−2⅛	13.58
R. Bk. Canada 10 86 CS	40	88⅜	89⅛	−0½	0	12.65
R. Bk. Canada 10 94 CS	40	78¾	79¼	−0¼	−3½	13.35
Copenhagen 8¾ 91 EUA	20	97¼	98¼	−0½	−1½	8.06
M. Bk. Dnmk. 9 91 EUA	25	95¾	96¾	+0½	+1¼	9.53
SOFTE 8¼ 89 EUA	40	86⅜	87⅜	0	−1	10.52
Algemene Bk. 8¼ 84 Fl	75	96½	97	−0⅞	−1¼	8.12
Ned. Gasunie 8¾ 84 Fl	50	97⅛	97⅝	0	−1	9.41
Ned. Middbk. 8⅛ 84 Fl	75	95¼	95¾	−1	−2	9.61
Norway 8⅜ 84 Fl	100	95⅛	95⅝	−0⅛	−1¼	9.66
Norway 8¾ 84 Fl	100	95⅛	95⅝	0	−1⅛	9.51
Philips Lamps 8¾ 84 Fl	75	96¼	96¾	−0⅛	−1	8.35
Air France 11 84 FFr	120	96⅛	97¼	0	−0⅛	11.92
Euratom 9¾ 87 FFr	150	85⅛	86⅛	0	−0⅛	12.81
Finland 11 84 FFr	80	95½	96½	0	0	12.24
Finland 11½ 89 FFr	70	94¼	95¼	0	+0⅛	12.44
Gaz de France 11 84 FFr	150	95¾	96¾	0	−0¾	12.05
IBM France 11⅞ 84 FFr	120	96⅝	97⅝	0	0	12.79
Renault 9¾ 85 FFr	100	86⅞	87⅞	+0⅛	0	13.12
Saint-Gobain 9¾ 86 FFr	130	85⅛	86⅛	0	0	13.21
Solvay et Cie 9¾ 87 FFr	125	82¼	83¼	0	−0⅛	13.48
Total Oil 9¾ 87 FFr	150	83¼	84¼	0	+0⅛	13.07
Citicorp O/S 13½ 90 £	50	94⅛	95⅛	−0⅛	−0⅛	14.45
EIB 11½ 91 £	25	84⅛	85⅛	−0⅛	−0⅞	14.15
Finance for Ind. 13 91 £	15	93½	94½	0	+1	14.11
Fin. for Ind. 12½ 89 £	30	90⅛	91⅛	−0⅛	−0⅛	14.28
Gen. Elec. Co. 12½ 89 £	50	92⅛	92⅞	−0⅛	+0⅛	13.99
Indonesia 8¾ 91 KD	7	†92⅞	93⅞	0	0	9.76
Mitsubishi 7½ 84 KD	10	†95⅞	96⅞	0	0	8.70
Norges Kom. 7½ 89 KD	12	†93⅜	93⅞	0	0	9.51
Occidental 8¾ 91 KD	7	†90⅛	90⅞	0	0	8.66
Akzo 9¾ 87 LuxFr	500	94½	95½	0	−0⅛	10.20
Euratom 8 87 LuxFr	500	89⅞	90⅛	0	−1	10.05
Euratom 9¾ 89 LuxFr	500	99⅜	100⅜	0	−0⅛	9.77
EIB 9¾ 86 LuxFr	600	99⅞	100⅞	0	0	8.68
Volvo 9¾ 87 LuxFr	500	98½	99½	0	+0⅛	9.83

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0¼	97⅞	98⅜	2/7	15⅛	15.47
Banco di Roma Int. 6 87	0¼	99½	100	26/4	15¾	15.79
Bank of Ireland 5⅞ 89	‡0¼	97⅛	97⅞	21/2	15.69	16.07
Bank of Tokyo 5⅞ 89	‡0⅛	97⅞	98⅜	25/4	14.56	14.84
Barclays O/S Inv. 5 90	0⅛	97⅜	97⅞	13/6	14⅛	14.60
Bergen Bk. A/S 6 89	‡0⅛	96⅞	97¼	29/2	14.31	14.76
Bque. Indo Suez 5¼ 89	0¼	98⅜	98⅞	11/7	14.69	14.89
Citicorp O/S F. 6 94	‡0⅛	98¾	99¼	8/3	14.44	14.68
Citicorp O/S F. 83	§‡0	99⅝	100⅛	23/2	15⅛	15.16
Citicorp O/S F. 84	‡0	99¼	99¾	29/2	14⅝	14.70
Co-operative Bk. 6 86	0⅛	97⅝	98⅛	15/5	15.05	15.39
Creditanstalt 5½ 91	§‡0⅛	98⅛	98⅝	14/3	14⅞	15.12
CNT 5¾ 86	§0⅛	99⅛	99⅝	16/4	15.19	15.24
GZB 5½ 89	‡0⅛	98¼	98¾	1/5	14⅝	14.85
Jugobanka 8 88	0⅞	91½	92½	23/5	16	17.39
Ind. Bank Japan 5⅛ 87	0¼	97½	98	16/4	14⅛	14.58
LTCB Japan 5⅞ 86	0⅛	97⅝	98⅛	13/8	14⅛	14.56
LTCB Japan 5½ 89	0⅛	97⅛	97⅝	7/6	14.19	14.55
Mfrs. Han. O/S 5¾ 94	‡0⅛	98⅛	98⅝	29/2	13.81	14.02
Midland Intl. Fin. 5 89	0¼	99⅛	99⅝	20/6	15	15.08
Nacional Fin. 6¼ 86	0⅛	97⅛	98⅛	25/7	14.69	14.99
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AUSTRIAN CAMERA INDUSTRY

Faulty strategy hampers Eumig

BY PAUL LENDVAI IN VIENNA

EUMIG, ONCE the international showcase of the Austrian camera industry, has degenerated into a financial and political embarrassment.

Despite recent widespread redundancies the Austrian press continues to speculate on the prospect of further large-scale lay-offs as Eumig's debts mount against a trading background which includes shrinking market shares and a lack of management continuity.

Eumig is known to owe its chief creditor, the Oesterreichische Laenderbank, some Sch 1.3bn ($104m) at which level borrowings are running broadly in line with annual sales. The bank has recently pushed through a reorganisation of the company's top management, and has asked an international business consultancy to report on Eumig's financial and marketing prospects.

This year a further 1,000 workers have been dismissed in the second large wave of redundancies to hit the company in little over a year. The Austrian newspapers speculate that Eumig can survive in the long run only through the dismissal of at least one third of its 4,500 strong labour force.

Both the fate of Eumig and the efforts to save the company from collapse reflect the special features of Austrian politics and economy. The company has been one of the few major privately-owned organisations in a country whose economy is dominated by the nationalised and semi-nationalised sectors with the two largest banks controlling far-flung industrial empires.

Originally turning out lighters and cookers, the company in the 1970s has become one of the world's foremost maker of projectors and also a large-scale producer of cine-cameras. By 1977, however, Eumig's fortunes had begun to deteriorate. The company blamed high labour costs, a strong currency and, above all, the failure of a project jointly launched with Polaroid, the big U.S. concern, to market instant replay cine-cameras for its 1978 redundancies.

Under Austrian law as a family company Eumig did not have to present regular balance sheets. But by mid-1979 the basic defects in management, organisation and marketing became evident and the company suffered a loss estimated at Sch 400m.

It is now openly admitted by the company that the per-head turnover is only one-half to two-thirds of the corresponding figures achieved by Japanese competitors. It was not just the misjudgment of the market for instant cameras but out of date marketing strategy that added to the company's troubles.

Another factor contributing to the company's difficulties is the fact that the company has a fragmented system of production—prompted in part by state and local authority investment subsidies for depressed areas.

Thus in 1976 Eumig responded to a proposal to set up a machinery plant in the depressed Fohnsdorf area where uneconomic pits had to be closed down. The project is regarded as a successful experiment in the retraining of redundant miners. But in the long run, heavy subsidies have helped to overshadow the problem of high transport costs and fragmented assembly.

However, Laenderbank's director general, Dr. Wolfgang Erndl is convinced that with the combined help of his bank and two other credit institutes Eumig will ride out the storm. With the banks, the unions and the government standing financially and morally behind the company, most observers are convinced that Eumig will remain a respected name in the small world of cine-camera and projector producers.

But no one seems to know yet the price to be paid for putting the company on a self-supporting basis. In addition to a thorough reorganisation of management and marketing, the company will have to make determined efforts to come to terms with its problems by cutting back its workforce.

Record six-month profits and sales for Toyota

BY OUR FINANCIAL STAFF

TOYOTA MOTOR COMPANY, Japan's largest car maker, raised net profits at parent company level by 53.9 per cent to a record Y65.08bn ($269m) in the half-year to December, from Y42.39bn in the same period the previous year. Sales increased by 14.8 per ceot to Y1,550bo ($6.4bn), also a record fcom Y1.350bn.

The rise in profits follows a fall of 12.2 per cent to Y102.05bn in the year to June, when the performance was affected by foreign exchange losses and a reduction in pcofits from tbe sale of securities. Sales for 1978-79 increased by 7.1 per cent to Y2,800bn.

After-tax profits for the full year to Juoe this year are expected to reach their highest ever level, at Y130bn, for a gain of 27 per cent. Sales too are expected to set a record, at Y3,200bn, up 14 per cent.

The first half rise in profits was attributed by the company to foreign exchange gains — amounting to Y38bn — and rationalisation measures as well as to bigher sales of vehicles and parts.

Some 1.53m vehicles were produced and sold by the company io the balf, against 1.4m in the same period of the previous year. Althougb domestic sales fell by 6 per cent tn 767,000 exports cose by 30.9 per cent to 763,000 almost half the total sales.

Good sales in the U.S. and other overseas markets, said Mr. Shobachi Hanai, the chairman, reflected demand for small, fuel ecooomy cars.

The company bases its forecasts for the full year mainly on active exports, and expects domestic sales for the 12 months to fall by 3.2 per cent to 1.60m units, while exports increase by 29.2 per cent to 1.56m.

The company's recurring profit for the six months to December was up 66.7 per cent to Y130.44bn, from Y78.24bn. Over the full year to June last, the pcofits on this basis showed a margioal fall, at Y198.33bn, against Y198.8bn.

The company has declared an interim dividend payment nf Y7 per share, up from Y6 a year ago. The latest dividend includes a Y2 bonus, includiog Y1 to commemorate building 30m vehicles since the company was founded in 1935.

Earnings per share rose to Y41.15 from Y27.52.

Strong advance by Abercom in first half

By Jim Jones in Johannesburg

ABERCOM, the diversified South African industrial group has reported a 28.8 per cent rise in net profit, to R4.49m ($5.49m), for the six months to December 31. This compares with R3.49m for the corresponding period of 1978 and R7.22m for the year to June 30, 1979.

Mr. Peter Herbert, the managing director, says that all group divisions returned better operating results. First-half turnover increased by 25.7 per cent to R74.9m from R59.5m. Pre-tax profits rose by 38.6 per cent to R6.27m, from R4.52m, as better plant utilisation resulted in improved operating margins.

The heavy engineering divisions, Mr. Herbert says, returned improved results. However, Johannesburg analysts take this a step further in pointing out that certain of Abercom's operations are relatively closely geared to capital spending by the country's mining industry. As this is in a strong up-trend, some solid advances over the next few years are likely.

With 19.5m shares in issue at end-December, against 14.3m a year earlier, first-half earnings per share fell to 23 cents from 24 cents. However the Board aims at a steady increase in dividends, allowing if necessary, dividend cover to fluctuate. In consequence an interim dividend of 11 cents has been declared, compared with 10 cents. The Board believes that the final dividend will not be less than 11 cents, compared with last year's 11 cents final.

In Johannesburg Abercom shares are trading at 330 cents.

Alcan Australia smelter plan

BY JAMES FORTH IN SYDNEY

ALCAN AUSTRALIA, the aluminium group, plans a further A$100m (around US$110m) expansion of its Kurri Kurri smelter in New South Wales—the third boost within the past three years. The increase is the latest in a string nf new smelters and expansions of existing smelters which have been announced in receot months by overseas groups, attracted by the availability of large blocks of relatively inexpensive power.

The expansion of Kurri Kurri is in addition tn plans anoounced last August of Alcan Australia to build a new smelter at Gladstone, Queensland. This smelter would cost A$250m and bave an initial capacity of 100,000 tonnes a year rising to 250,000 to 300,000

Planning for the latest expansion of Kurri Kurri, which will lift capacity from 90,000 tonnes to 130,000 tonnes is well advanced and work on the upgrading should start next year. The directors do oot, bowever, expect to make any further additions to capacity at Kurri Kurri after the latest expansion is completed.

Alcan Australia, which is substantially owned by the Canadian aluminium group, also reported yesterday an 82 per cent pcofit increase for 1979 from A$8m to A$14.65m (US$16.2m). The dividend is raised from 7 cents a share to 12 cents.

The directors said that demand for aluminium products was strong throughout 1979 but that sales were limited by metal availability. These trading conditions were expected to contione throughout 1980, with buoyant demand for aluminium products again being subjected to a tight metal situation.

Cooper Basin pipeline study undertaken

BY OUR SYDNEY CORRESPONDENT

THE South Australian State Government bas commissioned a feasibility study on a pipeline to carry petroleum liquids from the Cooper Basio gas fields to the coast at Redcliff, near Port Augusta, South Australia. The Government's move was takeo after a consortium of 11 companies which already supply Sydney and Adelaide with natural gas from the Cooper Basin fields cooeluded that recent price rises for crude oil, condensate and liquefied petroleum gas (LPG) would make the project economic.

The partners have been looking for some way to develop the full value of the liquids in the fields rather than simply send them to Sydney aod Adelaide to provide power and heat.

At present, ethane, which can be used as a feedstock for petrochemicals, is already being "wanted" in tbis manner. The Cooper Basin partners have been waiting for years for a decision from Dow Chemicals of the U.S., as to wbether it will build a petrochemical project at Redcliff using ethane as a feedstock. Such a project would enable the liquids to be sent to the coast and put through a separation plant. The rising prices have convinced the partners that they can go ahead with the liquids project even if the Redcliff petrochemicals project does not proceed.

The partners are still hopeful of a final decision from Dow between March and June this year. If Dow pulls out the etbane in the fields is unlikely to be commercially exploited. The liquids project envisaged by the partners woold result in an oput of about 27,000 to 30,000 barrels a day. The pipeline would cost about A$80m, and the seperation plant a further A$80m.

* * *

ICI AUSTRALIA, 62 per cent owned by the UK chemicals group, plans a one-for-three scrip issue following a major asset revaluation. The issue was announced at the annual meeting in Melbourne yesterday by Sir David Zeidler, the retiring chairman.

He said that capital and reserves would rise by $A128m (U.S.$142m). Consideration had been given to present-day replacement costs, which were generally much bigher than original costs, and account had also been taken of the technological and commercial lives of plant, processes and products.

The company, which had not made a major revaluation of assets for nearly 20 years would continue its past practice of reviewing annually the residual lives of assets and provide depreciation charges accordingly.

Sir David also said that ICI had started the current year well, with sales for the first quarter up 30 per cent to $A284m. This reflected the real growth in demand for the company's products and also higher prices resulting mainly from steep increases in the cost of raw materials. These costs were continuing to rise with world prices of oil and oil products.

Companies and Markets

CURRENCIES, MONEY AND GOLD

Sterling soft

Sterling lost ground in thin dull foreign exchange trading yesterday, showing little reaction to the rejection by BL workers of the management's pay offer. The pound came on offer late in the day, some time after the announcement of the BL ballot, and it closed at $2.2965-2.2975, a fall of 75 points on the day. Sterling opened at $2.3020-2.3030, and moved within a range of $2.300 to $2.3050 for most of the day, before touching a low of $2.2920-2.2930 in the afternoon.

On Bank of England figures, the pound's trade-weighted index fell to 72.9 from 73.0, after standing at 73.0 at noon and in the morning.

New York banks were closed for a public holiday, and although several other U.S. centres were open, the dollar traded within a very narrow range against major currencies. It improved to DM 1.7415 from DM 1.7385 against the D-mark, to Y241.50 from Y241.40 against the Japanese yen, and to SwFr 1.62 from SwFr 1.6170 in terms of the Swiss franc. The dollar's index, as calculated by the Bank of England, rose to 85.2 from 85.1.

D-MARK—Very strong, but remaining steady within the European Monetary System—The D-mark declined against most of its EMS partners at the Frankfurt fixing, but was unchanged at DM 42.695 per 100 French francs. The dollar rose to DM 1.7405 from DM 1.7390 in quiet trading, with no intervention by the Bundesbank at the fixing. There was also no sign of central bank intervention in open trading. Despite the overall weakness of the D-mark, sterling slipped to DM 4.0080 from DM 4.0130, and the Swiss franc to DM 1.0750 from DM 1.0759.

ITALIAN LIRA — Recent demand for the lira reflected tight conditions in the domestic money market: strongest EMS currency with French franc—The lira was mixed at the Milan fixing, easing slightly against the D-mark and French franc.

FRENCH FRANC — Strongest member of EMS since December, but challenged recently by Italian lira—The franc was unchanged against the D-mark at the Paris fixing, but lost ground to the Italian lira. Outside the EMS the dollar and sterling were both fixed higher, but the Swiss franc was slightly weaker.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation—The franc gained ground against most EMS members at the Brussels fixing, and was also stronger in terms of the dollar, sterling and Swiss franc.

DUTCH GUILDER — Steadier in recent weeks, near top of EMS —The guilder improved against all major currencies, except the Canadian dollar which was unchanged, at the Amsterdam fixing. The dollar fell to Fl 1.9180 from Fl 1.9190, and sterling to Fl 4.4180 from Fl 4.4240.

DANISH KRONE — Basically weak, suffering two devaluations since EMS began last March—The krone showed mixed changes at the Copenhagen fixing, improving against the Swedish krona and Norwegian krone, but losing ground to all EMS currencies except the D-mark. The German unit eased slightly to DKr 3.1283 from DKr 3.1285.

JAPANESE YEN — Energy problems reflected in sharp decline last year, but steadier recently—The yen improved slightly against the dollar in Tokyo, after the closure of Japanese markets on Monday for a national holiday. During the day the U.S. currency eased to Y241.175 from an opening level of Y241.60. The announcement of a further sharp rise in Japanese wholesale prices last month was anticipated by the market, but led to some speculation of a possible rise in the central bank discount rate.

THE POUND SPOT AND FORWARD

Feb. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2920-2.3050	2.2965-2.2975	0.75-0.65c pm	3.66	2.08-1.98 pm	3.53
Canada	2.6590-2.6720	2.6650-2.6660	1.10-1.00c pm	4.73	2.82-2.72 pm	4.16
Nethlnd.	4.39-4.43	4.40½-4.41½	2⅞-1⅞c pm	6.46	7⅛-6⅛ pm	6.01
Belgium	64.75-65.15	64.85-64.95	24-14c pm	3.51	60-50 pm	3.39
Denmark	12.48½-12.53½	12.49-12.50	1-3ore dis	−1.92	5-7 dis	−1.92
Ireland	1.0800-1.0865	1.0810-1.0820	0.03-0.13p dis	−0.89	0.17-0.27dis	−0.81
W. Ger.	3.99-4.02	3.99¾-4.00¾	3⅛-2⅞pf pm	10.12	10-9 pm	9.49
Portugal	108.30-109.50	108.70-109.00	20c pm-30 dis	−0.55	30pm-70dis	−0.73
Spain	152.05-152.70	152.37-152.47	25c pm-25 dis	—	20pm-80dis	−0.79
Italy	1,849½-1,858½	1,853½-1,854½	3½-1½ lire pm	1.62	¼-2¼ dis	−0.27
Norway	11.15½-11.23	11.18¾-11.19¾	7½-5½ore pm	6.97	18½-16½ pm	9.25
France	9.34½-9.39½	9.36½-9.37½	5¼-4¼c pm	6.08	12¾-11¾ pm	5.23
Sweden	9.52½-9.58½	9.54½-9.55½	3¼-1¾ore pm	3.45	9-7 pm	3.35
Japan	552-558	554½-555½	4.75-4.50y pm	0.89	12.75-12.50pm	9.10
Austria	28.60-28.80	28.67-28.72	27-17gro pm	0.20	70-60 pm	8.08
Switz.	3.70½-3.74½	3.71¼-3.72¼	4⅝-3⅝c pm	12.49	11⅞-10⅞ pm	12.22

Belgian rate is for convertible francs. Financial franc 66.30-66.40. Six-month forward dollar 3.07-2.97c pm, 12-month 4.80-4.70c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2920-2.3050	2.2965-2.2975	0.75-0.65c pm	3.66	2.08-1.98 pm	3.53
Ireland†	2.1240-2.1260	2.1242-2.1252	0.80-0.70c pm	4.23	2.25-2.15 pm	4.14
Canada	1.1598-1.1603	1.1598-1.1601	0.05-0.01c pm	0.31	0.18-0.14 pm	0.55
Nethlnd.	1.9167-1.9200	1.9167-1.9177	0.56-0.46c pm	3.10	1.35-1.25 pm	2.71
Belgium	28.24-28.27	28.25-28.27	2-½c pm	0.53	2 pm par	0.14
Denmark	5.4400-5.4420	5.4400-5.4415	2.10-2.60ore dis	−5.18	6.90-7.40dis	−5.26
W. Ger.	1.7390-1.7425	1.7410-1.7420	0.97-0.87pf pm	6.34	2.68-2.58	6.04
Portugal	47.00-47.40	47.30-47.40	10-20c dis	−3.80	35-70 dis	−4.43
Spain	66.28-66.38	66.35-66.38	15-30c dis	−4.08	75-95 dis	−5.12
Italy	806.10-806.80	806.70-806.80	1.50-2.50lire dis	−2.97	8¾-9¾ dis	−4.59
Norway	4.8680-4.8730	4.8720-4.8730	1.65-1.15ore pm	3.45	3.80-3.30 pm	2.91
France	4.0743-4.0790	4.0775-4.0790	1.05-0.95c pm	2.94	2.10-2.00 pm	2.01
Sweden	4.1540-4.1570	4.1555-4.1570	0.35-0.15ore pm	0.72	0.25-0.05 pm	0.14
Japan	241.10-241.60	241.45-241.55	1.45-1.30y pm	6.83	3.56-3.40 pm	5.75
Austria	12.484-12.49	12.48½-12.49	6.60-6.00gro pm	6.05	18.25-16.25pm	5.52
Switz.	1.6180-1.6220	1.6195-1.6205	1.33-1.20c pm	8.69	3.73-3.66 pm	0.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Feb. 11	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.570919	0.698605
U.S. $	12	1.31711	1.43834
Canadian $	14	1.52627	1.66765
Austria Sch	5¼	16.4498	17.9391
Belgian F	10½	37.2084	40.5864
Danish K.	11	7.16310	7.81623
D'Mark	6	2.29049	2.49919
Guilder	9½	2.52763	2.75702
French Fr.	9½	5.36558	5.85549
Lira	15	1061.02	1159.30
Yen	6¼	Unavail.	347.246
Norwgn. Kr.	9	6.40642	6.98322
Spanish Pts.	8	87.3534	95.3691
Swedish Kr.	10	5.46574	5.96740
Swiss Fr.	9	2.12911	2.32982

CURRENCY MOVEMENTS

Feb. 10	Bank of England Index	Morgan Guaranty changes %
Sterling	79.0	Unavail.
U.S. dollar	85.2	..
Canadian dollar	81.5	..
Austrian schilling	157.9	..
Belgian franc	115.3	..
Danish kroner	108.9	..
Deutsche mark	157.8	..
Swiss franc	201.0	..
Guilder	126.1	..
French franc	109.1	..
Lira	56.8	..
Yen	116.8	..

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 12	£	$		£ Note Rates
Argentina Peso	3851-3871	1675-1685	Austria	28.65-28.80
Australia Dollar	2.0740-2.0780	0.9026-0.9030	Belgium	66.30-66.80
Brazil Cruzeiro	103.59-104.59	45.10-45.55	Denmark	12.62-12.69
Finland Markka	8.50-8.52	3.7005-3.7025	France	9.33-9.39
Greek Drachma	88.565-90.657*	38.15-38.35	Germany	3.90½-4.02
Hong Kong Dollar	11.14½-11.16½	4.8570-4.8590	Italy	1875-1970
Iran Rial	n/a	n/a	Japan	555-560
Kuwait Dinar(KD)	0.622-0.632	0.2723-0.2724	Netherlands	4.40½-4.43½
Luxembourg Frc.	64.85-64.95	28.25-28.97	Norway	11.20-11.27
Malaysia Dollar	4.9890-5.0000	2.1725-2.1735	Portugal	102½-107
New Zealand Dlr.	2.3305-2.3356	1.0140-1.0150	Spain	151¾-150¼
Saudi Arab. Riyal	7.68-7.78	3.3690-3.3620	Sweden	9.56-9.61
Singapore Dollar	4.9480-4.9530	2.1525-2.1535	Switzerland	3.72-3.74
Sth. African Rand	1.8750-1.8765	0.8160-0.8170	United States	2.301-2.309
U.A.E. Dirham	8.35-8.65	3.7440-3.7470	Yugoslavia	49-52

Rate given for Argentina is free rate. * Indication only.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5718	+1.97	+1.45	±1.53
Danish Krone	7.72336	7.81124	+1.14	+0.62	±1.64
German D-Mark	2.48208	2.50032	+0.73	+0.21	±1.125
French Franc	5.84700	5.85610	+0.16	−0.36	±1.3557
Dutch Guilder	2.74362	2.75430	+0.39	−0.13	±1.512
Irish Punt	0.668201	0.676183	+1.19	+0.67	±1.668
Italian Lira	1157.79	1158.94	+0.10	+0.09	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb. 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.297	4.009	550.0	9.370	3.723	4.410	1854.	2.666	64.90
U.S. Dollar	0.436	1.	1.742	241.6	4.079	1.621	1.920	807.1	1.160	28.25
Deutschemark	0.250	0.574	1.	138.7	2.341	0.930	1.108	463.2	0.666	16.21
Japanese Yen 1,000	1.802	4.139	7.212	1000.	16.88	6.707	7.946	3341.	4.803	116.0
French Franc 10	1.067	0.451	4.272	592.9	10.	3.973	4.707	1979.	2.845	69.86
Swiss Franc	0.269	0.617	1.075	149.1	2.517	1.	1.185	498.1	0.716	17.43
Dutch Guilder	0.227	0.521	0.908	125.9	2.125	0.844	1.	420.4	0.604	14.72
Italian Lira, 1,000	0.538	1.239	0.159	299.4	5.054	2.008	2.378	1000.	1.438	35.01
Canadian Dollar	0.376	0.862	1.509	208.2	3.515	1.397	1.654	695.6	1.	24.35
Belgian Franc 100	1.541	3.539	6.167	855.2	14.44	5.736	6.705	2857.	4.107	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.05-14.15 per cent; three-months 14.45-14.55 per cent; six-months 14.55-14.65 per cent; one year 14.35-14.45 per cent.

Feb. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	18⅛-19	13¾-14	13⅛-13½	11-11¼	¼-½	7⅞-8	11⅞-12⅛	12-13	—	8-12½
7 days' notice	20¼-20¾	13⅞-14⅛	12½-13½	11⅛-11⅜	½-¾	8-8⅛	11⅞-12⅛	23½-15½	14-14⅛	7⅞-8⅞
Month	18¾-19	14⅞-15⅛	13¾-14⅛	11⅜-11⅝	4⅛-4⅜	8⅛-8⅜	12-12¼	16½-17½	15⅛-15¼	7⅞-8⅛
Three months	18¼-18½	14⅛-14⅜	13⅞-14¼	11⅝-11⅞	5-5⅛	8⅛-8⅜	12⅜-12⅝	17¾-18¾	14¾-14⅞	8⅛-8⅜
Six months	17½-17¾	14⅜-14⅝	13⅞-14¼	11½-11¾	5⅛-5⅜	8½-8⅝	13⅛-13⅜	18½-19½	14⅜-14⅝	8⅝-8⅞
One year	16⅞-17⅛	14⅜-14⅝	13¾-14⅛	11⅛-11⅜	5⅞-6⅛	8½-8⅝	13¼-13½	20-21	14⅛-14⅜	8⅛-8⅜

Long-term Eurodollar two years 13½-13¾ per cent; three years 13⅝-13⅞ per cent; four years 13-13¼ per cent; five years 12⅞-13⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

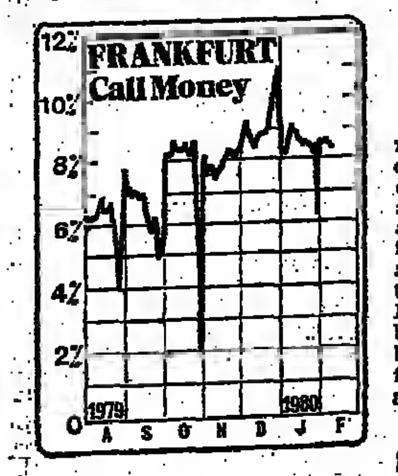
European rates ease

European short term interest rates showed a weaker tendency yesterday, with call money in Frankfurt easing to 8.30-8.35 per cent from 8.30-8.50 per cent on Monday. German rates have shown a much steadier tendency after the sharp movements seen at the beginning of the year. Longer term rates yesterday were basically unchanged.

Tomorrow's meeting of the Bundesbank central council will not be followed by a Press conference, it was announced yesterday. This is usually taken as meaning no change in credit policies for the week to come.

In Paris call money eased to 12½ per cent from Monday's figure of 12¾ per cent, with Monday's rate being only the second time in five years that call money has reached this level. While liquidity was thought to be tight for the rest of this week, call money eased yesterday partly on the authorities' intervention in the market, which comprised purchases of FFr 3bn of first category paper, at an unchanged rate of 12 per cent. Yesterday's purchases are for maturity between March 1 and March 3.

Deposit rates for the Belgian franc (commercial) were ½ point easier for one and three-month deposits, with longer term rates unchanged.



GOLD

Weaker trend

Gold fell $15 in quiet trading to close at $695-700 in the London bullion market. The metal opened at $707-712, the highest level of the day, and was fixed at $703.75 in the morning, and $694.50 in the afternoon. The lowest level touched was $691-696.

In Paris the 12½ kilo gold bar was fixed at FFr 89,600 per kilo ($683.55 per ounce) in the afternoon, compared with FFr 89,700 ($684.64) in the morning, and FFr 89,700 ($684.86) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 39,310 per kilo ($702.50 per ounce), compared with DM 40,110 ($714.50) previously.

	February 12		February 11	
Gold Bullion (fine ounce)				
Close	$695-700	(£302¼-304¼)	$710-715	(£308-310.5)
Opening	$707-712	(£307-309¼)	$705-710	(£305.8-308)
Morning fixing	$703.75	(£306.615)	$714.50	(£309.736)
Afternoon fixing	$694.50	(£301.760)	$710.50	(£308.896)
Gold Coins				
Krugerrand	$697-702	(£303-305)	$710-720	(£310-313)
Mapleleaf	$700-710	(£304½-307½)	$715-725	(£310-320)
New Sovereigns	$175½-176½	(£76¼-76½)	$176-179	(£76¼-77¾)
King Sovs.	$182-185	(£79-81)	$181-184	(£78½-80)
Victoria Sovs.	$183-186	(£79½-89)	$183-186	(£79¼-80¼)
French 20s	$157½-165½		—	—
50 pesos Mexico	$870-880		$880-895	
100 Cor. Austria	$668-678		$685-695	
$20 Eagles	$800-810		$810-820	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Large help

Bank of England Minimum Lending Rate 17 per cent *(since November 15, 1979)*

The shortage of short term money continued in the London discount market yesterday, and the authorities gave assistance by buying a moderate amount of Treasury bills both from banks and discount houses, and a small number of corporation bills direct from the houses. In addition the authorities bought a small amount of eligible bank bills for resale at a fixed future date, and lent a small amount to three or four houses at MLR, for repayment on Thursday. Total assistance was termed as large. Discount houses were paying 17 per cent for secured call loans at the start, with small balances taken later in the day down to 16 per cent.

The market was faced with a small net take up of Treasury bills to finance and the unwinding of a previous sale and repurchase agreement of a small number of eligible bank bills. In addition banks brought forward balances a moderate way below target.

In the interbank market, overnight loans opened at 17¾-18 per cent and rose to 19½-19¾ per cent by noon. During the afternoon rates eased to 18-18½ per cent, but came back to 19-19½ per cent before finishing at 15½-16 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Feb. 12 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16½-19¼	—	—	—	17¾-18¼	16-17	—	—	—
2 days notice	—	—	18	—	—	—	—	—	—	—
7 days or 7 days notice	—	18⅝-18⅝	18	—	16⅞	18-18½	16¾-17	—	—	—
One month	18⅜-18⅛	18⅛-18¼	17¾-18⅛	10¼-18	18¾	18¼-18½	16½	15⅝-16	18 1/16	18¾
Two months	18⅜-18⅛	18 1/16-18 3/16	—	18¾-18½	18½	—	16½	16⅛	18 1/16-18½	18½
Three months	18¼-17⅛	18-18⅛	17¾-18	18⅛-18	18⅛	18¼-18½	18¼	16¼	17 1/16-17⅝	17⅞
Six months	17⅛-17	17⅞-17⅞	16⅞-17¼	19⅞-16½	17¾	17¾	—	—	16¼	16⅝
Nine months	18⅛-16	18⅛-18⅛	—	17-16½	17½	—	—	—	—	—
One Year	16-15¼	16-18⅛	16¼-19½	18¼-16	17½	—	—	—	—	—
Two years	—	—	15⅞-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15 11/16-15⅞ per cent; four years 15¾-15⅞ per cent; five years 15⅞-15⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞ per cent; four-month trade bills 17⅜ per cent.

Approximate selling rates for one-month Treasury bill 15 21/32-15⅞ per cent; two-months 15 15/32-16 1/32 per cent; three-months 16¼-16 5/32 per cent. Approximate selling rate for one-month bank bills 18 3/16 per cent; two months 17⅞ per cent; three-months 17 9/16-17⅝ per cent; one-month trade bills 18½ per cent; two months 17¾ per cent and three-months 17⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. **Clearing Bank Deposit Rates** for sums at seven days' notice 15 per cent. **Clearing Bank Rates** for lending 17 per cent. **Treasury Bills:** Average tender rates of discount 16.1741 per cent.

MONEY RATES

NEW YORK

Prime Rate	15¼
Fed. Funds	—
Treasury Bills (13-week)	—
Treasury Bills (26-week)	—

GERMANY

Discount Rate	6
Overnight Rate	8.325
One month	8.70
Three months	8.85
Six months	8.80

FRANCE

Discount Rate	9.5
Overnight Rate	12.125
One month	12.0625
Three months	12.3125
Six months	12.1875

JAPAN

Discount Rate	6.25
Call (Unconditional)	8.125
Bills Discount (three-month)	8.625

WORLD STOCK MARKETS

NEW YORK

Dow up 1.4 at mid-session

AFTER LOSING further ground at the outset, Wall Street managed a partial recovery in reduced but still active trading yesterday morning, despite many banks being closed for Lincoln's Birthday.

The Dow Jones Industrial Average, 4.18 lower at 885.41 at 10.30 am, rallied to 890.96 at 1 p.m. for a net gain of 1.37 on the overnight level. The NYSE All Comon index was just one cent off at $67.10, after touching $66.82, while declines led gains by only a narrow margin at mid-session. Volume amounted to 32.72m shares, compared with a very heavy 40.94m at 1 p.m. on Monday.

Analysts said the profit-taking that carried prices lower on Monday, particularly in the Oil and Railways groups, continued to depress those issues yesterday. However, other natural resources issues such as the Forest Products stocks were higher.

Investors also continued to worry about possible further credit tightening by the Federal Reserve because of continuing growth of bank reserves, analysts added.

Volume leader Texaco slipped ⅞ to $38⅞, Exxon ½ to $65¼, Sun $1 to $84, California Standard 1⅞ to $71½, Union Pacific 1¾ to $92¾, Missouri Pacific 1¼ to $60¼ and Burlington Northern 1⅞ to $75¼.

Litten Industries lost ⅞ to $51⅞, Raytheon ⅞ to $78, General Dynamics ⅝ to $74¼ and Grumman ¼ to $27½.

Among Natural Resources issues, however, Georgia Pacific gained 1⅞ to $32¾, Louisiana Pacific $1 to $28 and International Paper $1 to $42½.

R. J. Reynolds shed ⅞ to $35 despite 1979 profits up 25 per cent. Eastman Kodak, which on Monday reported a fall in fourth-quarter net earnings, gained ⅞ to $47⅝.

Norton Simon added ⅞ at $14¼. It plans to buy back 2.5m Common shares. Sears Roebuck raised the quarterly dividend and put on ⅜ to $17⅜.

THE AMERICAN SE Market Value Index managed a net improvement of 0.71 at 287.36 at 1 pm. Volume 3.97m shares (5.22m).

Dome Petroleum put on ⅞ to $61⅛. Late on Monday Dome said it planned to buy most of Kaiser Resources' Canadian oil and gas operations for C$700m.

Closing prices for North America were not available for this edition.

Canada

Shares tended to decline in heavy early dealings after recent marked strength. The Toronto Composite index receded 6.4 to 2,112.2 at mid-day, while Golds lost 10.9 to 3,454.1, Oil and Gas 14.4 to 4,461.1 and Metals and Minerals 4.7 to 2,315.2. In Montreal, Banks lost 2.04 to 332.10.

Kaiser Resources rose 2⅞ to C$39⅞ and Dome Petroleum ⅞ to C$71, both in active trading. Kaiser plans to sell most of its Canadian oil properties to Dome and offer C$43 a share for 9m of its shares.

Australia

The recent clamour for Resources stocks reached boom conditions on Australian stock exchanges yesterday in the busiest day's trading recorded, writes James Forth in Sydney.

Shares valued at A$70m changed hands on the Sydney and Melbourne exchanges amid frantic dealings and price gains reminiscent of the mining boom days of 1970. The Sydney All Ordinaries index jumped 19.57 further to a record 934.96, while the Metals and Minerals subgroup index leapt 193.46 to 6,536.43, reflecting the heavy interest in natural Resources shares, particularly energy resources such as coal, oil and uranium.

Stockbroking concerns reported that they are stretched to capacity processing orders, and many are refusing to accept new clients or insisting on high minimum orders to discourage business. Brokers' staff are again working into the early hours of the morning, and the Exchange computers are having difficulty coping with the workload. The main buying pressure is coming from overseas through London, Hong Kong and Tokyo, although brokers report that U.S. investors are also buying strongly.

Demand from local investors is also building up. Sharp profit increases reported by Mining groups such as MIM, Bougainville Copper, Western Mining and EZ Industries, reflecting high commodity prices, helped to spur the market ahead.

Indicative of the mood, EZ Industries rose A$1.50 to A$7.50 on reports of higher profits and the go-ahead for an A$150m new base metal mine at Elure, in New South Wales.

Markets saw some late profit-taking, but MIM advanced 26 cents to A$6.38, Bougainville Copper 15 cents to A$4.50, Peko-Wallsend 60 cents to A$10.30 and Coal Miner Utah 20 cents to A$5.30.

Surging world commodity prices saw sugar producer CSR rise 56 cents more to A$7.40, while Pioneer Sugar added 25 cents at A$4.00 and Bundaberg 40 cents at A$9.70. CSR's coal subsidiary Thiess climbed 90 cents to A$10.30.

Market leader BHP, on its energy interests, were 30 cents higher at A$14.00, while among Industrials, Thomas Nationwide Transport gained 12 cents at A$2.40.

Tokyo

After Monday's holiday closure, the market improved in early trading, but subsequent profit-taking, concentrated in Oils, non-ferrous Metals, Light Electricals and Defence-related issues, left shares overall mixed to easier on balance.

The Nikkei-Dow Jones Average advanced to an all-time peak of 6,852.33 at noon, but ended only 0.44 higher on the day at 6,828.05. The Tokyo SE index was finally 0.25 easier at 471.66 and declines led gains on the First Market section by 328 to 274. There was a fair volume of 340m shares.

Nippon Oil lost Y10 to Y1,930, Nippon Mining Y14 to Y390, Dowa Mining Y18 to Y832, Shimazu Y27 to Y661, Pioneer Electronic Y40 to Y2,010 and Sony Y20 to Y1,710.

However, Sugars closed strongly in reflection of the surging commodity price, while Chemicals, Pharmaceuticals, Textiles and Shippings also recorded gains. Takeda Chemical put on Y17 to Y535.

Germany

With rising interest rates on the domestic bond market and Wall Street's overnight downturn unsettling sentiment, Bourse prices mainly retreated in the absence of the recent foreign investor buying. The Commerzbank index fell 12.1 to 725.9.

Deutsche Bank lost DM 5.50, Dresdner Bank DM 3.50 and Commerzbank DM 3.30.

In Machine Manufacturers, Linde declined DM 9.50 and MAN DM 4.50. Brown Boveri fell DM 7.50 in Electricals. BMW shed DM 2.50.

Public Authority Bonds sustained fresh losses ranging to 80 pfennigs. The Bundesbank, however, bought only DM 800,000 nominal of paper, after purchases of DM 57.9m on Monday.

Hong Kong

Stocks moved ahead strongly over a wide front in a fair turnover, lifting the Hang Seng index 24.36 to 934.03, close to the six-year high of 936.83 recorded on January 29.

Soaring international sugar prices prompted speculation that Jardine Matheson, which has sugar interests in the Philippines and Hawaii, should see a substantial improvement in its earnings. The advance of Jardine, up 60 cents at HK$13.45, carried with it the Banks, whose results are expected shortly. The upsurge later spread to the rest of the market, with Properties making substantial progress.

Hongkong Bank climbed 80 cents to HK$22.70, Hong Kong Land 20 cents to HK$14.30, Hutchison Whampoa 35 cents to HK$9.50, Swire Pacific "A" 30 cents to HK$9.95 and Hong Kong Wharf HK$4 to HK$67.

CANADA

Stock	Feb. 11	Feb. 8
Abitibi	28⅞	23⅛
Agnico Eagle	10	14½
Alcan Alumn	70	69
Algoma Steel	37	37
Asbestos	36¾	36⅝

BELGIUM (continued)

Feb 12	Price Frs.	+ or —
Petrofina	6,210	—40
Royale Belge	5,700	—60
Soc Gen Banq	9,750	
Soc Gen Belge	1,695	
Sofina	3,490	
Solvay	2,390	—65
Traction Elect	2,700	—36

HOLLAND

Feb. 12	Price Fls.	+ or —
ACF Holding	76.2	—0.8
Ahold	72.8	—1
AKZO	25.4	—0.8
ASH	298.6	—1.5

AUSTRALIA

Feb. 12	Price Aust. $	+ or —
ANZ Group	4.85	
Acrow Aust	1.00	
Allstate Expl	2.40	—0.15
Ampol Pet	1.36	—0.04
Ast Pulp Pap	2.50	
Audimco	0.88	
Aust Cons Ind	2.20	

JAPAN (continued)

Feb. 12	Price Yen	+ or —
Makita	1,130	—10
Marubeni	385	—3
Marudai	643	—1
Marui	745	—2
Matsushita	722	—8
M'ta Elec Works	550	
M'bishi Bank	415	

Indices

NEW YORK—DOW JONES

	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	1979-80 High	1979-80 Low	Since Compil'n High	Since Compil'n Low
◆Industr'ls	888.38	885.78	885.49	881.83	875.52	875.09	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	26.84	69.50	69.79	70.41	76.71	70.81	88.15 (15/8)	68.04 (11/2/80)	—	—
Transport.	300.64	305.55	299.08	294.51	984.18	282.50	305.80 (8/2/80)	205.78 (27/2)	305.80 (8/2/80)	12.23 (8/7/32)
Utilities	112.28	111.33	111.25	110.89	110.15	115.12	112.28 (11/2/80)	98.24 (24/7/8)	165.52 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	58,660	57,890	57,658	51,950	41,890	43,070	—	—	—	—

◆Day's high 902.39 low 884.04

Ind. div. yield %	Feb. 8	Feb. 1	Jan. 25	Year ago (approx
	6.60	6.50	0.40	6.95

STANDARD AND POORS

	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	132.75	155.78	131.62	150.88	129.59	129.20	155.78 (8/2/80)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	117.12	117.86	110.28	115.72	114.55	114.37	117.96 (5/2/80)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 6	Jan. 30	Jan. 23	Year ago (approx)
Ind. div. yield %	4.99	4.89	4.97	5.16
Ind. P/E Ratio	8.28	8.29	8.14	8.80
Long Gov. Bond Yield	11.88	11.10	10.68	8.26

N.Y.S.E. ALL COMMON

Feb. 11	Feb. 8	Feb. 7	Feb. 6	1979-80 High	1979-80 Low
67.08	67.57	66.09	66.39	67.57 (8/2/80)	53.88 (27/3)

Rises and Falls	Feb. 11	Feb. 8	Feb. 7
Issues Traded	1,935	1,917	1,824
Rises	549	967	808
Falls	1,012	695	740
Unchanged	374	385	370
New Highs	178	184	154
New Lows	25	63	47

MONTREAL

	Feb. 11	Feb. 8	Feb. 7	Feb. 6	1979-80 High	1979-80 Low
Industrial	384.85	380.21	375.08	367.65	384.68 (11/2/80)	219.18 (2/1)
Combined	356.85	352.18	346.88	340.92	356.09 (11/2/80)	225.80 (2/1)
TORONTO Composite	2118.5	2151.1	2052.2	2022.9	2118.8 (11/2/80)	1016.8 (2/1)

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1956/58)	954.96	915.39	938.64	856.88	934.99 (12/2/80)	545.72 (2/1/79)
Metals & Mins (1956/59)	6536.48	6342.97	6143.81	6010.45	6536.45 (12/2/80)	2587.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.84	65.65	68.67	66.45	69.40 (7/1/80)	61.53 (2/5)
BELGIUM						
Belgian SE (31/12/63)	104.68	105.78	104.85	105.91	109.47 (5/10)	98.88 (3/1/79)
DENMARK						
Copenhagen SE (1/1/73)	81.59	81.56	81.66	81.89	97.48 (25/7)	81.37 (5/2/80)
FRANCE						
CAC General (29/12/61)	115.6	115.9	113.30	112.1	115.9 (12/2/80)	82.4 (15/2/79)
Ind Tendance (28/12/79)	108.8	108.5	106.90	106.7	108.5 (11/2/80)	80.8 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	230.34	234.62	233.62	231.22	265.98 (16/1/79)	218.11 (21/1/80)
Commerzbank (Dec. 1953)	725.5	735.6	733.80	724.5	859.00 (16/1/79)	688.3 (21/1/80)
HOLLAND						
ANP-CBS General (1970)	85.7	87.5	86.5	85.4	94.2 (24/1/79)	51.8 (21/1/80)
ANP-CBS Indust. (1970)	88.4	67.1	67.2	67.5	85.9 (24/1/79)	65.5 (21/1/80)
HONG KONG						
Hang Seng Bank (31/7/64)	934.03	909.67	957.78	911.85	936.83 (29/1/80)	493.83 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	90.90	51.10	92.05	51.80	83.85 (4/10)	98.58 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6828.05	(c)	6816.03	6795.62	6828.05 (12/2/80)	5925.87 (10/4)
Tokyo New SE (4/1/68)	471.66	(c)	471.09	408.29	471.81 (8/2/80)	435.15 (15.7)
NORWAY						
Oslo SE (1/1/72)	141.71	142.70	142.96	143.21	143.21 (7/2/80)	74.48 (16/1/79)
SINGAPORE						
Straits Times (1966)	470.67	471.67	471.86	466.56	474.59 (1/2/80)	346.34 (23/2/79)
SOUTH AFRICA						
Gold (1958)	(u)	563.1	564.9	552.6	563.1 (11/2/80)	228.40 (17/4)
Industrial (1958)	(u)	512.5	500.6	496.3	512.5 (11/2/80)	270.50 (2/1/79)
SPAIN						
Madrid SE (28/12/79)	101.01	(c)	105.05	106.25	102.22 (10/1/80)	99.31 (15/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	381.42	385.89	388.90	388.55	401.34 (6/2/79)	331.37 (24/8)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	317.3	317.6	315.40	310.6	329.16 (2/5)	284.00 (8/1/79)
WORLD						
Capital Intl. (1/1/70)	—	142.5	142.1	140.5	142.5 (11/2/80)	122.2 (1/5/79)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Dow Chemical	870,600	37⅞	−1⅞	Inco	565,800	31⅞	+⅞
Texaco	674,800	39	−1⅛	El Paso	565,500	27	−3½
Exxon	590,500	66⅞	+¼	Tesoro Pet.	555,500	25⅞	+1⅞
Gulf Oil	570,400	45¼	−1⅛	Occidental Pet.	544,000	30⅞	−⅞
Brunswick	556,900	15	+1⅛	Gen. Pub. Util.	504,400	7	−¼

Farmers' president calls for more State support

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE GOVERNMENT must provide further support if the run down of the British agricultural industry is to be avoided. Mr. Richard Butler, president of the National Farmers' Union, warned yesterday.

Addressing the Union's annual meeting in London Mr. Butler said that even the 7.9 per cent rise in farm prices, proposed by COPA—the EEC farmers' lobby—would not be sufficient to provide UK farming with sufficient support for the inflationary year ahead, let alone the 2.4 per cent increase proposed by the EEC Commission.

He claimed that British farmers remained at a disadvantage to those on the Continent, despite the virtual elimination of the Green £ discrepancy. Because of inflation and the high interest rates in the UK, to say nothing of the strength of sterling. British farmers were still not competitive with their European counterparts.

Mr Butler's dissatisfaction was reflected in the atmosphere of the meeting. Far from being the aggressive competitive industry that the Minister of Agriculture has been calling for, farmers seemed to be very much on the defensive against the machinations of their EEC partners. The restriction on lamb exports to France is a continuing grievance. But mention of the cheap interest rates which the Europeans are alleged to enjoy and the benefits of other government measures denied to the British farmers appeared in a number of resolutions.

Doubts about the very future of the EEC itself surfaced in a joint resolution from Carmarthen and Hampshire suggesting that contingency plans should be put before the Government in case of a breakdown of the Common Agricultural Policy and that national support measures should be considered in that event.

In accepting the resolution Mr. Butler said that although national measures were outside the Common Agricultural Policy the fact of other countries' activities which could be construed as being outside the real philosophy of the CAP made it essential that such plans should be prepared.

World grain crop forecast cut

BY OUR COMMODITIES STAFF

WORLD GRAIN production is now expected to fall to 1,521m tonnes in the latest forecast issued by the U.S. Department of Agriculture in Washington. This compares with its earlier prediction of 1,524m tonnes and is four per cent below last season's world output estimated at 1,582m tonnes, reports Reuter.

Wheat production has been marginally raised to 419m tonnes, as a result of crop estimates for China and the Soviet Union being increased. World wheat output nevertheless at 418.9m tonnes would be well down at the record production of 447.7m tonnes in 1978/79.

The latest estimate of world coarse grain production is lowered to 730m tones—8m below the previous forecast and 19m down on the record 1978/79 crop.

Mainly responsible for the reduced estimate are shortfalls in the Soviet Union, Argentina and China. Soviet output is now put at 80.5m tonnes against earlier predictions of 84m and last season's crop of 105.3m.

China's crop is expected to be 77.5m tonnes compared with 79m tonnes forecast previously and Argentine coarse grain output is cut to 14m tonnes against 16.9m expected earlier and 17.2m tonnes last season. World rice production is still forecast at 372.2m tonnes against 385.6m tonnes in

In a review of the Soviet Union grain situation, the U.S. Department of Agriculture said Russian wheat imports are now expected to total 10.5m tonnes and coarse grains 17.3m tonnes in the year to June 1980. This is 3m tonnes more than forecast last month, but the Department said the USSR is still expected to suffer a grain supply shortfall during the latter stages of the current season.

It noted nearly 80 per cent of projected 28m tonnes had been shipped by early January and the slowdown in shipments as a result of the U.S. embargo would start to affect the USSR as nearly as March.

It said the most significant impact of the shortage will be during the April-June period, prior to the new crop harvest. The rate of feeding during the March-June period will fall significantly below the level earlier expected.

However, the extent of the adjustment will depend on the Soviet's ability to draw upon stocks accumulated from the record 1978 crop in order to offset the short 1979 crop and reduced imports, the Department said.

Record cotton output

A RECORD world cotton production of 65.3m bales (480 lbs) in 1979-80 against 59.8m bales last season is predicted by the U.S. Department of Agriculture.

It said yields in the Soviet Union and China were both above earlier forecasts. Global output per hectare is likely to reach a record average of 441 kilogrammes, 9 per cent higher than in 1978-79.

The Department also confirmed earlier predictions of a big increase in world oilseed output this season at 180m tonnes compared with 158m tonnes in 1978-79.

World soyabean production is expected to rise to 96.6m tonnes, with an increase in Brazil being partially offset by a fall in output in Argentina because of dry weather last month.

However the USDA estimate of Brazilian soyabean output, although raised by 500,000 tonnes to 14.5m tonnes differs from the 14.7 to 15.5m tonnes crop estimate, just confirmed by the Brazilian Commission for Financing Production.
Reuter

Sugar price continues to rise

By Richard Mooney

SUGAR PRICES continued to surge higher in London yesterday with the May position gaining another £14.35 to £300.225 a tonne—a rise in the past three trading days of £67 a tonne.

In the absence of any fresh news dealers put the advance down to "nervous" speculative buying. "Speculators are buying on the basis of all sorts of silly rumours," one London trader commented.

At the London headquarters of the International Sugar Organisation meanwhile producer and consumer delegates were locked in a struggle over whether to release reserve stocks to cool down the market.

Under the terms of the International Sugar Agreement a third of the required total of 2.5m tonnes of stocks should be released when the 15-day average sugar price remains above 19 cents a pound for five consecutive days. This has now happened.

But producers argued yesterday that the scheduled release of 835,000 tonnes would not aid the market in current circumstances and urged that the Sugar Council should use its discretion to set aside the rule or at least to reduce the amount released.

Importers were reported to be firmly against this, however, and under the Agreement's voting rules they seem bound to carry the day. If no decision is made to the contrary the release will go ahead and since it would take a two-thirds majority of the executive committee to set aside the rule or to amend it the producers would have to persuade some of the consumers to change sides.

With the ISO daily price already over 25.5 cents a pound it is likely that a further 837,000 tonnes of stockpiled sugar will be released on to the market next week with the remainder following soon after. The stockpile is reported to total 2m tonnes but some observers have cast doubt on whether all this sugar has in reality been stocked.

TIN-PRODUCING COUNTRIES' MEETING

Seeking a common stand

MINISTERS FROM seven tin-producing countries accounting for over 80 per cent of world output meet in Chiengmai, northern Indonesia, today in a bid to hammer out a common stand on prices, and other issues, in the run up to this year's negotiations on a new International Tin Agreement.

Despite recent threats from a number of producers that unless some key demands are met in their favour they will be forced to consider setting up an OPEC-style cartel for tin, most experts believe that this is unlikely to be a major issue at Chiengmai.

With the fifth tin agreement due to expire in July, 1981, and negotiations on the sixth starting in earnest in April when both producers and consumers meet for a month in Geneva, tin-producing countries will concentrate on preparing their case for an "improved" pact.

They are likely to come away with proposals on five key issues. First, they will want to ensure that the new Agreement produces a buffer stock price range that both works and accurately reflects economic realities.

Second, they will be concerned to ensure a tightening up of the rules governing the release of non-commercial tin stocks.

Third, they will make it very clear that the current concept of export controls should remain an essential part of any new Agreement.

Fourth, they are likely to make proposals for a "fairer" system of voting rights.

Last, they want to make it compulsory for both consumers and producers to contribute to the buffer stock.

At the same time producers will be hoping to come away with a consensus on the buffer stock price range to present to next month's tin council meeting to review the "floor" and "ceiling" price under the current agreement. They will also be discussing what approach to take in talks scheduled to take place later this month in London with the U.S. on the proposed release of 35,000 tonnes of tin from the U.S. stockpile.

At the heart of the arguments which will be put forward at the Ministerial meeting lies a somewhat more gloomy view of the outlook for tin than is common among many consumer countries.

Although tin seems certain to fall in price this year many western experts incline to view that the price will bottom-out by mid-year. They argue that the market has to a large extent already discounted the U.S. stockpile release. Consumers would also argue that because the value of tin has risen by over 50 per cent in the past two years a temporary downturn would be unlikely to depress a currently prosperous industry.

Many producing countries however do not take such a rosy view. They argue that the long anticipated economic recession will begin to bite this year. They fear that if the U.S. releases 15,000 tons on to the market—5,000 of which would be the American contribution to the buffer stock—a serious position of oversupply could develop. Prices might then drop well below what they regard as necessary to cover production costs and new investment.

The international tin council meeting scheduled for next month will undoubtedly see a determined bid by producers to seek an upward revision of the "floor" and "ceiling" price range. Producers will point out that the current range of M$1,950 to 1,650 per picul (133.3 lb) is hardly realistic given the current market price of $2,180.

At the same time they are likely to point out that the actual market price has hardly dipped below the "ceiling" price since 1977 thus making a fiction of the buffer stock manager's job of defending the agreed buffer stock price range.

Tin producers at Chiengmai may go further and advocate the creation of a new kind of mechanism for determining the "floor" and "ceiling" prices. In their view the Economic Price Review Panel of the Tin Council which was set up to deal with this problem has never lived up to its aim. It is quite possible that ministers will seriously consider advocating a proposal for some form of index-linked price range, though the details of such a system have yet to be worked out.

The second major issue—and one that has dominated the tin market for over two years—is the U.S. decision to release some 35,000 tonnes of stockpile tin over a period of three years. Many producers are still unhappy about the way the releases will be handled. Bolivia, one of the world's high cost producers, maintains that there should be no releases at all. Others, like Indonesia, argue that releases of non-commercial stocks are acceptable in principle but not at the present time.

Most producers at Chiengmai will advocate a change of the present tin agreement rules governing the release of non-commercial stocks. Indonesia, for example, would like to see a clause inserted into the sixth agreement that there should be no such releases at all during times of oversupply.

The third issue concerns what producers see as an attempt by the U.S. to stop producers from using export controls to defend the agreed "floor" price.

"If the Americans persist in opposing the supply management provision within the agreement we would see little justification for participating in the sixth ITA at all," said one Indonesian delegate.

Instead of the voluntary buffer stock contribution scheme adopted in 1977 when in deference to consumers the stock limit was doubled to 40,000 tonnes ministers at Chiengmai will want to make it obligatory for consumers as well as producers to contribute to the buffer stock.

They will also be looking for changes in the voting system. Present votes on the International Tin Council are evenly divided between producers and consumers. But what concerns producers most is how countries like Japan and the U.S. with a "preponderance" of votes can easily block any move by even a majority of the council. Producers are likely to come out in favour of a change in voting distribution as well as a demand for a system which operates on a simple distributive majority.

Rutile sales ban lifted

CANBERRA — The Australian Government yesterday lifted its ban on the sale of rutile to the Soviet Union imposed at the end of January. Doug Anthony, Trade and Resources Minister, made the announcement at the end of a Cabinet meeting addressed by Prime Minister Malcolm Fraser on his return from a visit to the U.S. and Europe to discuss the Afghanistan issue.

Mr. Fraser announced on the eve of his departure on January 28 that the Government had suspended the sale by an Australian company of 2,000 tonnes of rutile to the USSR because of the Afghanistan crisis.

He also ordered that during his absence a review should be made of strategic materials that might be banned for export to the USSR.

But Mr. Anthony said that after considering the review the Government had decided that exports of these raw materials to the USSR should continue normally.

He said the review indicated the USSR is not dependent on imports for strategic materials, and it would have little difficulty finding other suppliers

Other materials considered during the review were uranium, bauxite and aluminium.
Reuter

Copper rallies strongly

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rallied strongly on the London Metal Exchange yesterday afternoon. Three months wirebars closed £21 up at a new all-time peak of £1,376.5 a tonne. The rise came entirely in the afternoon following news of a threatened strike at the big Toquepala mine in Peru and reports of fighting in Iran that brought a sharp upturn in the New York copper market.

The rise in copper brought a generally firmer tone in other metals, particularly lead which had fallen sharply in early trading. Cash lead eventually closed only £4 lower at £519 a tonne after ending the morning session at £506.

Meanwhile several Canadian producers followed U.S. companies in raising their U.S. copper selling prices to $1.44 a lb. Cominco also increased its U.S. zinc price by 2 cents to 39.50 cents in line with the rises announced on Monday by Asarco and New Jersey Zinc.

● Paris. Demand for primary aluminium in the non-Communist world rose 3.6 per cent in 1979 to 12.5m tonnes while production rose 2.8 per cent to 11.9m tonnes, Pechiney Ugine Kuhlmann said, reports Reuter.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the London Metal Exchange. Forward metal opened higher at £1,370, reflecting the the strong performance on Comex overnight. However, this level brought out fairly heavy profit-taking which pared the price to £1,346 on the morning Kerb. In the afternoon rumours of outbreaks of fighting in Iran, coupled with another rise on Comex, prompted renewed buying here and forward metal touched £1,391 before closing the late Kerb at £1,387. Turnover: 3,446 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1343-51	-24.5	1371-3	+21
3 months	1353-4	-20.5	1376-7	+21
Settlem't	1351	-24	—	......
Cathodes				
Cash	1288-90	-27	1315-7	+27.5
3 months	1316-8	-24.8	1343-4	+25
Settlem't	1290	-27	—	......
U.S. Prod	—	......	*130-5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,346, 45, 47, 48, 50, 51, 52, 53, 55, 56, 57, 58, 59, 58, 57, 55, 54, 52. Cathodes, three months £1,318, 19. Kerb: Wirebars, three months £1,351, 50, 49, 48. Afternoon: Wirebars, three months £1,352, 53, 54, 57, 56, 57, 58.5, 58, 70, 73, 72, 71, 70, 71, 72, 73, 75, 76, 80, 79, 80, 77, 76, 77, 78, 77. Cathodes cash £1,315, three months £1,343. Kerb: Wirebars, three months £1,376, 78, 79, 80, 79, 80, 82, 84, 85, 88, 90, 89, 88, 90, 89, 90, 91, 90, 88, 86.

TIN—Easier in quiet trading. The fall at Penang and the initial downturn in copper saw forward metal open lower at £7,400. The price held this level, however, following good buying from quarter. In the afternoon the strength of copper helped three months tin edge higher to close the late Kerb at £7,420. Turnover: 900 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7515-25	-85	7520-50	-42.5
3 months	7400-20	-47.5	7415-35	-2.5
Settlem't	7525	-85	—	......
Standard				
Cash	7515-25	-85	7520-30	-42.5
3 months	7400-10	-47.5	7415-20	-5
Settlem't	7525	-85	—	......
Straits E.	‡$2180	-14		......
New York	—	......		......

Morning: Standard, cash £7,320, three months £7,410, £7,400, 05, £7,400, 05, 10, 05, £7,400. Kerb: Standard, three months £7,400, 05. Afternoon: Standard, three months £7,400, 10, 15, 20. Kerb: Standard, three months £7,440, 30

LEAD—Easier but well above the day's lows. Forward metal dipped to £488 on the pre-market but rallied thereafter in line with copper to close the late Kerb at £495.5. Turnover: 10,900 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	504-5	-37.5	518-20	-4
3 months	485.5	-33	497-8	-5.5
S'ment	506	-37	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £507, 5, 4, three months £495, 94, 93, 88, 89, 88, 87, 88, 87, 86. Kerb: three months £486, 87, 88, 89, 90. Afternoon: Three months £490, 91, 92, 91, 94, 95, 97, 98, 97. Kerb: Three months £500, 499, 98, 97, 98, 96.

ZINC—Lower in quiet trading. The initial decline in copper saw forward metal fall to around £390 on the pre-market, but the price recovered to close the late Kerb at £394.5. Turnover: 6,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	378-80	-4.5	380-2	-3.5
3 months	390-.5	-3.25	392-3	-4
S'ment	380	-4	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £389, 90, 92, 91, 90.5. Kerb: Three months £390, 91. Afternoon: Three months £391, 93, 92, 92.5. Kerb: Three months £392, 93, 94, 95.

ALUMINIUM — Steady on balance. After opening at £952 forward metal came under pressure and fell back to £944, reflecting the initial downturn in copper. However, the recovery in the latter prompted a similar trend in aluminium which rallied to close the late Kerb at £963. Turnover: 8,500 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	944-7	-20	955-7	+5
3 months	949-51	-15	960-1	+5

Morning: Three months £945, 42, 44, 43, 42, 44, 45, 48, 49, 50, 51, 52, 50. Kerb: Three months £950. Afternoon: Three months £956, 59, 58, 57, 60, 61, 60. Kerb: Three months £961, 63, 65, 66, 65, 64.

NICKEL—Barely changed in subdued trading with forward metal moving between £3,160 and £3,190 before closing the late Kerb at the latter price. Turnover: 276 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	3045-60	-42.5	3075-80	-2.5
3 months	3155-60	-55	3185-90	+0.5

Morning: Three months £3,185, 80, 72, 70, 65, 60. Afternoon: Three months £3,170, 75, 90, 85. Kerb: Three months £3,180, 90.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 29.2p an ounce lower for spot delivery in the London bullion market yesterday at £17.147. U.S. cent equivalents of the fixing levels were: spot $39.49, down 76c; three-month $39.89, down 81c; six-month $39.823, down 70.2c; and 12-month $40.048, down 25.4c. The metal opened at [illegible] and closed at [illegible].

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1714.7p	-29.2	1682.5p	-33.5
3 months	1747.05p	-30.55	1717.5p	-35
6 months	1781.0p	[illegible]	—	
12months	1775.0p	[illegible]	—	

LME—Turnover 100 (132) lots of 10,000 ozs. [illegible]

months 1,740, 35, 30, 35. Kerbs: Three months 1,725, 30, 20.

COCOA

A little steadier at the opening; futures today traded within a £20 range and closed at the mid point. Physicals with the exception of producer selling of nearby products were again neglected, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1468-70	-7.5	1484-64
May	1471-73	-5.5	1482-68
July	1476-77	-2.0	1484-75
Sep	1489-92	-1.0	1496-90
Dec	1521-24	....	1530-92
March	1545-50	....	1560
May	1565-74	+2.0	—

Sales: 1,511 (1,503) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 11: 150.50 (148.85); Indicator price Feb. 12: 15-day average 146.68 (146.16); 22-day average 145.87 (145.56).

COFFEE

After opening £5-£11 lower in sympathy with an easier New York performance London coffee futures recovered on good commission house buying, reports Drexel Burnham Lambert. The afternoon was very disappointing and the majority of business was delayed until the final hour of the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1463-65	+4	1475-58
May	1482-95	+1.5	1502-1488
July	1516-17	-5.0	1524-13
Sept	1535-36	+12.5	1549-35
Nov	1535-39	-9.0	1548-38
January	1520-35	-15.0	—
March	1505-60	-12.5	—

Sales: 2,437 (5,864) lots of 5 tonnes. ICO Indicator prices for Feb. 11 (U.S. cents per pound): Other Mild Arabicas 161.00 (162.00). Robustas ICA 1976 159.00 (160.00). ICA 1968 159.25 (180.25). Unwashed Arabicas 185.00 (213.00). Comp. daily ICA 1968 171.42 (181.42).

GRAINS

LONDON GRAIN FUTURES — The market opened lower. Strong liquidation came in both spot options mainly from country sources and values quickly lost further ground with wheat more under pressure than barley. By the close, there was some commercial buying and some of the losses were regained. The recovery was boosted by some large scale March-May switches. New crops moved steadily lower, reports Acli.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday's close	+ or —
Mar.	98.50	-0.25	95.05	-0.30
May.	102.95	-0.25	100.45	-0.05
Sept.	96.45	-0.25	93.70	-0.25
Nov.	100.15	-0.20	97.45	-0.25
Jan.	103.80	-0.20	100.90	-0.15

[illegible]

IMPORTED—Wheat: [illegible]

RUBBER

The London physical market opened about unchanged with good speculative orders throughout the day, and closed on a firm note. Lewis and Peat reported a Malaysian godown price of 290 (360) cents a kg (buyer, March).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	88.00-89.50	87.50-88.50	88.00-86.25
Apr.	92.00-92.70	90.50-92.00	—
Apr.-Jne	94.10-94.20	92.25-92.80	94.25-90.60
Jly.-Sept	97.05-97.15	95.45-95.50	97.30-93.80
Oct-Dec	99.60-99.70	98.30-98.45	100.00-96.70
Jan-Mar	101.50-01.50	100.0-100.5	101.50-99.00
Apr-Jne	102.80-03.25	101.5-102.4	105.00-100.5
Jly.-Sept	104.50-04.75	103.0-103.4	104.75-103.4
Oct-Dec	106.80-06.90	104.8-104.4	105.90-105.1

Sales: 1,578 (1,370) at 15 tonnes, 50 (57) at 5 tonnes.

Physical closing prices (buyer) were: Spot 88.00p (87.00p), March 85.75p (84.75p); April 87.50p (87.00p).

SOYABEAN MEAL

The London market opened unchanged on quiet trade, reports T. G. Roddick. The Brazilian crop estimate of 14.7 to 15.3m tonnes was left to be a neutral figure. The market drifted lower on trade selling to close 80p easier on day.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	117.50	-1.25	—
April	115.80-14.5	-0.70	114.80-14.00
June	115.90-14.0	-0.85	115.00-14.00
August	115.80-16.2	-0.85	116.50
October	118.00-18.0	-0.35	118.50-18.00
December	117.90-18.4	-0.30	118.90-18.50
February	121.00-21.5	-0.30	121.50-21.40

Sales: 72 (56) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): [illegible]

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

NUMBER 4 CONTRACT—[illegible]

LONDON WHITE SUGAR—[illegible]

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). [illegible]

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—[illegible]

SYDNEY GREASY WOOL—[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 12 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£770/810
Free Mkt (cs)	$2160/2200	....	$1850/195
Copper			
Cash w'bar	£1,372	+21	£1,058
3 mths	£1,376.5	+21	£1,088.5
Cash Cathode	£1,316	+27	£1,034.5
3 mths	£1,343.5	+25	£1,065
Gold troy oz	$697.5	-15	$687.5
Lead cash	£519	-4	£451
3 mths	£497.5	-5.5	£449.5
Nickel	£3,195.78	....	£3,195.78
Freemkt (cif) lb	305/335c	....	280/310c
Platin'mtr'y oz	£182.0	....	£189
Free mkt	£593.25	-0.7	£578
Quicksil'ver	$388/405	....	$380/400
Silver troy oz	1714.7p	-29.2	1915.70p
3 months	1747.05p	-30.55	1954.70p
Tin Cash	£7,325	-42.5	£7,935
3 mths	£7,417.5	-5	£7,812.5
Tungsten 22.04 lb	$138.72	....	$138
Wolfrm 22.04 lbs	$139/144	....	$140/145
Zinc cash	£381	-5.5	£388.5
3 months	£392.5	-4	£393.6
Producers	$780/825	....	$780
Oils			
Coconut (Phil)	$865y	-15	$900
Groundnut	‡	....	‡
Linseed Crude	£437	+6	£583
Palm Malayan	$680x	....	$650
Seeds			
Copra Phillip	$680	-15	$680
Soyabean (U.S.)	$297x	....	$285
Grains			
Barley Futures	£100.45	-0.05	£95.90
Maize			
French No3AM	£117.50	....	‡
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	£97.25	+1	£94.50
Eng. Milling t.	‡	....	‡
Other commodities			
Cocoa ship't	£1,680	-7	£1,624
Future May	£1,478	-5.5	£1,452
Coffee Ft. May	£1,485.5	+1.5	£1,647.5
Cotton A.Index	97.50c	....	86.60c
Rubber (kilo)	88p	+1	71.50p
Sugar (Raw)	£258	+1	£182
Wooltp's 64s kl	293p kilo	....	279p kilo

‡ Unquoted. x March. y April. v Feb.-March. t March-April. u April. w May. z Indicator. § Buyer. * Nominal.

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week so far at 101 tonnes. [illegible]

GRIMSBY FISH—[illegible]

HIDES—Birmingham: [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—[illegible]

SMITHFIELD—[illegible]

AMERICAN MARKETS

NEW YORK, February 12.

VOLUME OF trading was lighter than usual on this partial holiday with sugar, coffee and cocoa markets closed down. The livestock complex finished lower across the board on trade and professional selling. Grains and soyabeans all finished lower on aggressive professional selling. Heavy profit taking in cotton brought the market sharply lower. Spot month silver was under moderate pressure while the distant months had solid gains. Gold was under pressure most of the day. Copper managed to record moderate gains even after major profit taking, reported Heinold.

Potatoes (round whites)—March 56.3 (55.8), April 58.2 (58.8), May 68.7-69.0, Nov. 75.6-78.0. Sales, 521.

Tin—786.00-796.00 asked (789.00-805.00).

CHICAGO, February 12.

Lard—Chicago loose 20.00 (same). New York prime steam unavailable.

Live Cattle—Feb. 69.55-69.40 (69.85), April 72.20-72.30 (72.65), June 74.40-74.60, Aug. 73.70-73.55, Oct. 72.50, Dec. 73.45, Feb. 73.60.

Live Hogs—Feb. 39.05-39.20 (39.70), April 38.50-38.42 (39.15), June 41.90-42.00, July 43.00-42.65, Aug. 42.40, Oct. 42.05, Dec. 44.60-44.40, Feb. 45.40, April 45.70.

‡‡Maize—March 274¼-274 (275¾), May 287-287½ (289), July 297-296¾, Sept. 304½, Dec. 312½-312¾, March 323.

Pork Bellies—Feb. 39.70-39.60 (41.17), March 39.00-40.15 (41.60), May 41.90-42.05, July 43.42-43.25, Aug. 42.60-42.40, Feb. 51.55-52.05, March 52.50, May/July/Aug. unquoted.

Silver—Feb. 3880.0 (3890.0), March 3905.0 (3910.0), April 3930.0, June 3985.0, Aug. 4034.0, Oct. 4084.0, Dec. 4134.0, Feb. 4184.0, April 4234.0, June 4284.0, Aug. 4334.0, Oct. 4384.0, Dec. 4434.0, Feb. 4484.0, April 4534.0, June 4584.0, Aug. 4634.0.

‡Soyabeans—March 667-668 (675), May 690-689½ (697¾), July 712-712½, Aug. 720, Sept. 727½, Nov. 738½-739, Jan. 755½, March 773½.

‖Soyabean Meal—March 181.70-181.50 (183.90), May 187.20-187.00 (189.40), July 192.80-192.70, Aug. 195.50-195.80, Sept. 199.20, Oct. 202.00, Dec. 205.00-105.50, Jan. 206.70, March 211.50.

Soyabean Oil — March 23.95-23.97 (24.15), May 24.55-24.58 (24.[illegible]), July 25.08-25.05, Aug. 25.35-25.30, Sept. 25.65-25.60, Oct. 25.90-25.85, Dec. 26.15, Jan. 26.25, March 26.45, May 26.60-26.80.

‡Wheat—March 456½-456 (463¾), May 467½-466½ (474½), July 473½-474, Sept. 485, Dec. 504-503½, March 518.

WINNIPEG, February 12. §Barley—March 113.00 (115.70), May 114.30 (115.20), July 113.60, Oct. 109.50, Dec. 109.00.

¶Silver—Feb. 3,750.0-3,850.0 (3,850.0), March 3,860.0 (3,875.0), April 3,892.5, May 3,930.0, July 3,985.0, Sept. 4,045.0, Dec. 4,115.0, Jan. 4,138.0, March 4,181.0, May 4,224.0, July 4,267.0, Sept. 4,310.0, Dec. 4,375.0. Sales: 5,716. Handy and Harman bullion spot 5,850.00 (same).

Copper—Feb. 140.80 (140.70), March 142.50-144.00 (141.70), April 144.10, May 145.00-145.50, July 145.40-148.00, Sept. 148.30, Dec. 149.10, Jan. 148.70, March 149.15, May 149.60, July 150.10, Sept. 150.60, Dec. 151.30. Sales: 15,000.

§Wheat—SCWRS 13.5 per cent protein content cif S. Lawrence 233.65 (237.15).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, Feb. 12.

Wheat—U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, Feb. $200, March $202. U.S. Hard Winter wheat, ordinary, unquoted. U.S. No. 2 Red Winter wheat Feb. $198, March $200. U.S. No. 2 Northern Spring wheat, 14 per cent, Feb. $209, March $209, April/May $290, May/June $299, June/July $202. [illegible]

Maize—U.S. No. 3 Corn Yellow afloat [illegible]

[illegible] $300.50, Oct. $301.75, Nov. $301.50, Dec. $307, Jan. $310.50. Brazil Yellow FAQ unquoted. Argentine May $285, June $291, July $293, Aug. $296.50.

Soyameal—44 per cent protein U.S. afloat $245, Feb. $243.50, March $242, April/May $242.50, April/Sept. $244. Brazil Pellets afloat $265, April/May $247, April/Sept. $250.

PARIS, Feb. 12. [illegible]

INDICES

FINANCIAL TIMES

Feb. 11	Feb. 8	M'nth ago	Year ago
314.49	311.17	290.44	269.52

(Base: July 1, 1952=100)

MOODY'S

Feb. 11	Feb. 8	M'nth ago	Year ago
1487.1	1471.2	1430.8	1034.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 11	Feb. 8	Month ago	Year ago
Spot	455.66	453.97	[illegible]	[illegible]
F'tur's	470.16	463.11	428.80	381.42

(Average 1924-25-26=100)

REUTERS

Feb. 12	Feb. 11	M'nth ago	Year ago
1840.6	1858.5	1706.0	1588.8

(Base: September 18, 1931=100)

[illegible]

COVENT GARDEN (Prices in sterling per package except where otherwise stated)—[illegible]

Cons. Gold Fields' deal provokes much controversy

Leading equities resist early fall but Gilts easier

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar 3
Feb. 25	Mar. 6	Mar. 7	Mar. 17

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The Consolidated Gold Fields/Beers controversy apart, stock markets traded in more sedate fashion yesterday. General interest again focussed on oil and energy-related stocks along with Australian exploration issues, but business was less than on Monday. Nevertheless, the tone throughout mining markets remained very firm and again took in some notable gains.

De Beers' purchase of 11 per cent of the equity in Cons. Gold Fields which increased its overall holding to 25 per cent provoked much discussion and drew widely cootrasting views abont the methods employed to raise its stake.

Against a hleak Press on the labour situations at BL aod in the steel and water industries, leading equities were opened easier. Once again, sellers were not drawn despite the previous day's sharp improvements and initial losses were regained. ICI remained the barometer of the market with potentisl buyers becoming active at any sign of a lasting price reaction.

Lte news concerning the BL vote against the mansgement's pay plan and the major steel unions' agreement to meet with ACAS today appeared to have little influence on a market content to consolidate recent gains. The FT 30-share index began today 3.7 down bnt two honrs later was marginally hetter on halance: the close was a net 0.6 off at 469.3.

The effects of the troubled UK industrial scene were more noticeable in Gilt-edged securities. A dull opening provoked a limited smount of selling and, in a market currently lacking incentive, falls extending to ¾ hegan to sppear. With the exception of stocks in the 1993/95 aree, the falls were redpced later and the better feeling continued into the after-hours' trade. Short-dated Issues also trended easier, usually hy ¼, the special low-coupon tap stock, Exchequer 3 per cent 1984, yet again resisted the dullness to close fractionally higher at 69¾.

Guinness Peat up

Action in Traded options was centred on Cons. Gold Fields, which contributed 725 trades to a total of 1,313, almost double last week's daily average. Also active were RTZ, 136 deals, and BP, 106.

In Banks, Guinness Peat responded to the interim statement with a gain of 15 to 127p. Hongkong and Shanghai firmed 5 to 202p on far-Eastern influences, hut Grindlays, a volatile market of late on news that Mass Development had increased its stake in the company to just over 5 per cent, eased 3 to 142p. Bank Leumi UK shed 10 to 100p. The major clearing hanks drifted back from a firm start to close virtually unchanged on halance.

Rumours that the Office of Fair Trading had agreed to the Marsh McLenan hid for the company lifted C. T. Bowring 7 to 143p and the 10 per cent convertible 13 points to £196.

Breweries made modest progress io a subdued husiness. Scottish and Newcastle hardened a shade to 58p and Arthur Guinness a couple of pence to 96p. Among regional issues, Wolverhampton and Dudley firmed 3 to 290p.

Leading Buildings encountered a useful two-way husiness. Tarmac were notable for a gain of 3 at 219p, while London Brick added a penny to 69½p. Buyiog in a thin market lifted Ruberoid 6 to 59p, hut Montague L. Meyer, a rising market of late on hid rumours, eased a penny to 99p. Ward Holdings put oo 4 to 62p; the annual results are due shortly. SGB came in for support and firmed 5 to 243p, while F. J. C. Lilley and Bellway added 3 apiece to 34p and 79p respectively. In a firm Paints sector, Manders, 152p, and International 78p, both added a conple of pence.

ICI encountered early institutional support and touched 404p, hut the appearance of small sellers left the price unchanged on balance at 398p. Among other Chemicals, Laporte hardened a penny to 110p, after 111p, while late interest lifted Brent 6 to 218p. Scottish Agricultural Industries revived with a gain of 5 to 175p in a thin market, while Allied Colloids improved a couple of pence to 133p.

British Home good

Leading Stores were steady to 6rm. House of Fraser added a couple of pence to 134p, while British Home put on 4 to 281p; the latter to record e three-day gain of 11. Among secondary counters, Martin Ford eased 2 to 34p following the discouraging full-year statement, hut NSS Newsagents attracted small hnyers and rose 3 to 128p. Harris Queensway, 173p, and Henderson-Kenton, 104p, picked up 5 apiece, while Status Discount firmed a penny to 65p. In Shoes, Stylo eased 5 to 190p on profit-taking, hnt George Oliver found support end closed 7 up at 115p.

Still awaiting further developments in the Racal/GEC hid battle, Decca eased 10 to 585p and the A 5 to 440p. GEC improved 2 to 377p, while Racal, which is still discussing the possibility of a fresh offer, closed 4 higher at 223p. Elsewhere ln the Electrical sector, renewed support lifted Berec 4 more to 117p, while buyers again showed interest in United Scientific, up 9 further at 465p. George H. Scholes put on 8 to 223p and STC 6 more to 266p. Wholesale Fittings moved up 15 to 550p in a thin market. By way of contrast, Sound Diffusion continued to reflect the forecast of a sharp redaction in annual profits and reacted afresh to 56p before closing 2 down on the day at 61p.

Engineering leaders were subdued awaiting further developments in the steel dispute. GKN drifted off to close 3 cheaper at 274p, while falls of a few pence were also recorded ln John Brown, 55p, and Hawker, 192p. Occasional hnying interest was shown ln selective secondary issues. Spear and Jackson were noteworthy for a rise of 8 at 110p, while Pegler Hattersley improved a similar amonnt to 140p. News of the property sale stimuleted demand for Crown House, 4 to the good at 67p. Further support lifted Renold 5 more to 85p, while CompAir, still reflecting the hid epproach, improved afresh to 99½p before settling at 95½p, up 1½ on tha day. Chemring rose 6 to 136p in e limited market and Birmingham Mint came to life with e rise of 4 to 177p. Smaller-priced issues to make headway included F. H. Lloyd, 37p, and Percy Lane, 36p, up 3 apiece. Awaiting today's preliminary results, Birmid-Qualcast hardened a penny to 43p.

Foods were notable for a gain of 6 to 154p in British Sugar. Elsewhere, speculative support in a thin market lifted Bernard Matthews 25 to 340p, while Amos Hinton put on 5 to 81p and Danish Bacon A added 4 to 124p. Needlers, on the other hand, encountered profit-taking and shed 3 to 54p, efter 53p, while Robertson gave up 4 to 130p. Meat Trade Suppliers responded to the interim statement with a gain of 2½ to 77½p.

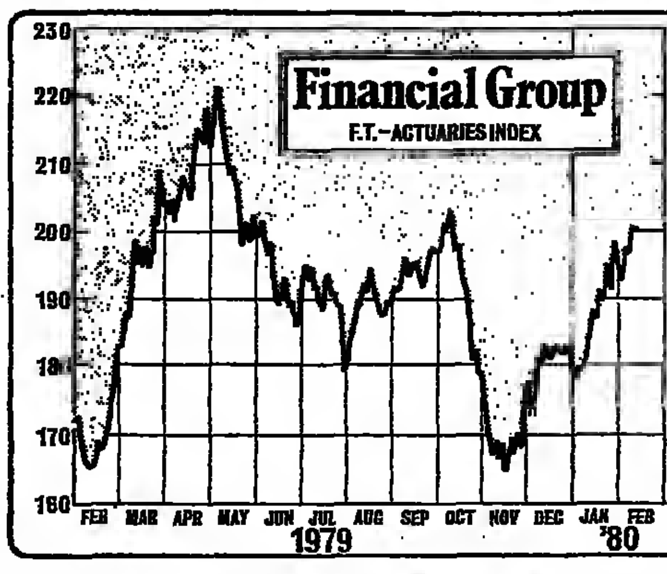
D. Macpherson higher

Inclined easier et the start, the miscellaneous Industrial leaders rallied to close without much alteration on halance. Bowater, however, finished 3 to the good at 182p, after 176p, and Reed International 4 higher at 202p, after 196p. Elsewhere, D. Macpherson responded to the preliminary results with a rise of 6 to 97p, while demand in a limited market lifted Applied Computer 25 to 350p. Pauls and Whites, an old takeover favourite, firmed 4 to 130p. Centreway, 188p, and Diploma Investments, 448p, gained 6 apiece, while rises of around 4 were marked against Hoover "A," 132p, Cape Industries, 254p, and Lonsdale and Universal, 64p. Press mention left Waterford Glass a 1p firmer at 28p.

Joseph Webb firmed e penny to 19½p in response to the increased half-yearly profits and the Board's confident statement. Elsewhere ln the Leisure sector, Horizon Travel revived with a gain of 10 to 235p.

Speculative attention was again directed towards Motor Distributors, although husiness was lighter than on Monday and most prices finished a shade below the day's best. Hartwells rose 5 to 82p, after 84p, while H. and J. Quick added 3 to 41p. Glanfield Lawrence firmed a penny to 62p; the price in yesterday's issue was incorrect. Caffyns, a strong market of late, encountered profit-taking end eased 5 to 200p, while BSG, and British Car Auctions, 70p, both eased a penny.

Leading Properties fluctuated narrowly before settling a few pence easier on balance as interest waned. Secondary issues, however, held steady to firm with United Real and Warnford Investments adding 5 apiece to the common price of 390p. Imry also firmed 5, to 580p, while Corn Exchange pnt on 6 to 324p and Avenue Close picked up 3 to 103p. Fresh interest was shown in Daejan which hardened 2 to 125p, while Westminster and Country revived with a gain of a penny to 36p.



Profit-taking in Oils

Trading in Oil shares was again extremely lively but, after the recent strong opward movement, profit-takers gradually gained the upper hand and falls were widespread throughout the list. Among the leaders, BP, 400p, and Shell, 380p, reacted 10 apiece. Cluff were ontstanding in the more speculative issues, with a fall of 40 to 430p. Tricentrol weakened 16 to 304p, while Gas and Oil Acreage, 400p, and Clyde, 368p, fell 15 and 12 respectively. Premier shed 5 to 81p.

Furness Withy, up 16 at 287p, after 295p, on a revival of hid speculation provided the main feature in the Shipping sector.

Trusts made further headway while, in Financials, Fashion and General moved up 18 to 145p in sympathy with the rise in Furness Withy. Akroyd and Smithers continued firmly at 258p, up 4, along with Smith Bros., a penny harder at 36p.

In Textiles, Sidlaw, a firm market of late on speculative buying, eased 3 to 93p after profit-taking, but e favourable Press mention lifted Lister a couple of pence to 60p. Reliance Knitwear hardened 1½ to 30p following the first-half results.

Guthrie remained a huoyant market on hopes of a new offer from Sime Darby, rising 45 for a two-day gain of 88 to 855p. Other Plantations were mixed. Profit-taking clipped 5 from London Sumatra, 455p, but Kuala Lumpur Kepong, 106p, Lunuva, 395p, both added 5, while Castlefield rose 10 to 550p.

Gold Fields lower

Consolidated Gold Fields dominated proceedings in mining markets both in front of and following the revelation that the Anglo American-De Beers Group has been the recent mystery buyer of the shares.

Johbers opened Gold Fields at 617p in the knowledge that the Anglo-De Beers group was seeking to purchase around 11 per cent of the Gold Fields equity. Once this order had been satisfied the price fell sharply to around 550p following news that the Anglo group interest had control of ahout 25 per cent of Gold Fields.

This prompted renewed buying which lifted the shares to 570p. However, fairly heavy selling emerged which depressed the closing price to the day's lowest of 510p, a net fall of 15.

Reinvestment of profits made on earlier purchases of Gold Fields conpled with the recent huoyancy of metal prices produced heavy buying of other London Financials. Charter Consolidated advanced to 193p before settling 15 up at 185p. Rio Tinto-Zinc ended 11 better at 455p, after a 1979-80 high of 462p and Selection Trust put on 16 to 776p, after a high of 786p.

Among South African financials, De Beers attracted good U.S. support in the after-hours' trade and closed 19 up at a high of 532p while Anglo American hardened 5 to 670p. Gold Fields of South Africa touched £40¼ before closing £1¼ firmer on balance at £39. "Johnnies" rose a point to £34 in front of the more than doubled half-year profits.

Australians fell away following persistent profit-taking. The Bundle oil-shale partners showed Central Pacific £1½ lower at £24¼ and Southern Pacific 50 cheaper at 925p.

Base-metal producers all lost ground. Bougainville gave up 6 to 228p, and North Broken Hill and Western Mining 7 apiece at 198p and 257p respectively.

Of the recent speculative favourites Otter dropped 10 to 140p and Samantha 3 to 118p. Pacific Copper dipped 4 to 204p the company is to make a one-for-seven rights issue at 185 cents (around 90p).

EZ Industries were an exception to the general rule in Australians as heavy huying following the sharply higher profits and increased dividend lifted the shares 55 to 355p.

FINANCIAL TIMES STOCK INDICES

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	A year ago
Government Secs.	66.10	66.32	66.55	66.05	66.46	66.62	65.10
Fixed Interest	68.85	67.02	67.26	67.06	66.96	67.47	68.05
Industrial	469.3	469.9	461.4	462.9	456.2	447.8	465.4
Gold Mines	352.5	357.5	345.0	346.4	344.9	326.5	177.0
Ord. Div. Yield	7.03	7.02	7.06	7.06	7.17	7.30	6.94
Earnings, Yld. % (full)	17.34	17.31	17.41	17.58	17.68	17.99	16.31
P/E Ratio (net) (*)	7.07	7.06	7.05	7.07	6.95	6.85	7.95
Total bargains	27,674	28,019	25,675	22,395	20,496	19,157	—
Equity turnover £m	—	117.47	152.05	153.92	110.42	95.11	75.82
Equity bargains total	—	18,353	21,115	18,751	15,432	15,829	13,466

10 am 466.3. 11 am 469.2. Noon 470.0. 1 pm 469.8. 2 pm 469.5. 3 pm 469.8.

Latest Index 01-246 8026

* Nil=6.81.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	76.01 (4/5)	63.50 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.00 (16/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.2 (16/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.0 (17/4)	442.3 (22/5/75)	43.0 (26/10/71)

S.E. ACTIVITY

	Feb. 12	Feb. 11
—Daily		
Gilt Edged	150.1	133.5
Industrials	157.7	151.5
Speculative	134.5	80.3
Totals	119.6	110.9
5-d'y A'vr'ge		
Gilt Edged	194.2	123.1
Industrials	138.2	128.8
Speculative	88.7	87.6
Totals	100.2	91.6

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	420	—	—	44	13	56	—	
BP	325	90	1	—	—	—	—	401p
BP	330	—	—	98	3	104	1	"
BP	350	70	12	—	—	—	—	"
BP	375	36	30	—	—	—	—	"
BP	390	—	—	66	10	70	—	"
BP	400	50	36	—	—	—	—	"
Com. Union	160	0	—	11	10	17	—	147p
Cons. Gold	360	175	1	192	—	—	—	554p
Cons. Gold	380	146	43	162	—	—	—	"
Cons. Gold	420	115	25	135	4	145	—	"
Cons. Gold	460	82	210	103	6	128	—	"
Cons. Gold	500	60	191	80	1	105	—	"
Cons. Gold	550	36	219	58	5	72	20	"
Courtaulds	80	4	—	7½	2	2	—	77p
GEC	330	61	—	77	0	87	—	376p
Grand Met.	140	8½	71	10	—	20	—	134p
ICI	360	45	23	64	—	70	—	399p
ICI	390	23	6	45	0	00	—	"
Land Secs.	260	52	5	50	—	71	—	227p
Land Secs.	300	22	25	33	—	44	—	"
Shell	300	88	1	—	—	—	—	381p
Shell	390	22	25	34	14	46	—	"
Totals			926		78		21	
		February		May		August		
EMI	100	36	—	47	30	—	—	138p
EMI	180	19	15	27	—	—	—	"
EMI	130	0	41	17	—	—	—	
Imperial Gp.	70	11½	6	11½	—	13½	—	81p
Imperial Gp.	80	2½	20	5	—	7	—	"
Racal Elec.	200	25	2	37	1	46	—	224p
Racal Elec.	280	7½	26	22	11	38	—	"
Racal Elec.	240	1	—	14	4	22	—	"
RTZ	300	160	—	174	—	167	6	456p
RTZ	360	100	41	119	—	135	—	"
RTZ	390	70	1	90	—	112	3	"
RTZ	420	40	55	67	8	21	2	"
RTZ	460	—	—	47	29	67	9	"
Totals			183		83		22	

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (102)

AMERICANS (4)
CANADIANS (2)
BANKS (1)
BUILDINGS (3)
DRAPERY & STORES (1)
ELECTRICALS (6)
ENGINEERING (3)
HOTELS (1)
INDUSTRIALS (8)
MOTORS (1)
PAPER & PRINTING (1)
SHIPPING (1)
SOUTH AFRICANS (1)
TRUSTS (26)
OILS (3)
OVERSEAS TRADERS (3)
RUBBERS (8)
TEAS (3)
MINES (24)

NEW LOWS (15)

BRITISH FUNDS (1)
Exch. 13½pc '83 (£60 pd.)
AMERICANS (4)
American Express — Norton Simon
Colgate-Palmolive — Woolworths
BANKS (1)
Wells Fargo
BUILDINGS (1)
Modern Engineers
STORES (2)
Cope Sportswear — Liberty Non. Vtg.
INDUSTRIALS (6)
Bridport-Gundry — Esselte AB
Brown Boveri Kent — Lep Group
Change Wares 12pc Ptg. Prf. — Manchester Ship Canal

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	79	9
Corpns. Dom. and Foreign Bonds	1	31	34
Industrials	311	234	861
Financial & Prop.	209	88	202
Oils	5	31	7
Plantations	16	2	8
Mines	50	54	45
Others	37	51	78
Totals	633	570	1,244

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., Feb. 12, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., Feb. 11 Index No.	Fri., Feb. 8 Index No.	Thur., Feb. 7 Index No.	Wed., Feb. 6 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	246.28	+0.1	17.76	6.36	7.10	246.08	241.61	241.23	237.31	223.82
2	Building Materials (27)	241.12	−0.1	16.46	6.51	7.75	241.48	235.01	235.49	231.45	198.36
3	Contracting, Construction (29)	369.22	+0.2	25.49	6.57	4.87	368.39	362.28	358.14	355.39	331.89
4	Electricals (15)	630.30	+0.3	12.83	3.94	10.38	628.47	620.17	616.94	608.93	532.52
5	Engineering Contractors (11)	300.84	+1.2	24.62	8.51	5.17	297.31	293.08	295.53	286.96	340.97
6	Mechanical Engineering (74)	169.88	−0.1	20.26	7.71	6.12	170.06	167.02	166.97	164.10	173.61
8	Metals and Metal Forming (16)	168.35	−0.1	20.22	9.02	5.90	168.51	165.23	165.95	161.84	155.04
11	CONSUMER GOODS (DURABLE)(50)	223.79	+0.5	15.97	5.46	7.73	222.75	218.09	217.25	214.71	199.91
12	Lt. Electronics, Radio, TV (15)	313.22	+0.8	12.28	4.11	10.45	310.82	303.04	301.83	297.76	258.50
13	Household Goods (14)	113.98	+0.5	26.47	9.62	4.55	113.37	113.98	113.31	111.74	157.98
14	Motors and Distributors (21)	115.09	−0.3	23.35	8.10	5.05	115.48	113.65	113.30	112.55	111.05
21	CONSUMER GOODS (NON-DURABLE) (173)	221.33	+0.1	18.27	6.89	6.75	221.17	219.42	220.87	218.87	205.77
22	Breweries (14)	256.01	+0.6	17.45	6.83	6.73	254.60	251.06	252.36	250.35	223.60
23	Wines and Spirits (5)	292.00	+0.3	18.59	6.35	6.64	291.15	288.70	290.49	292.35	292.05
24	Entertainment, Catering (17)	301.13	+0.4	18.53	6.97	6.79	300.05	296.61	301.50	300.22	270.23
25	Food Manufacturing (19)	206.70	+0.1	19.58	7.05	6.31	206.41	203.16	203.32	200.09	195.74
26	Food Retailing (15)	302.32	−0.3	13.74	4.96	8.69	303.19	302.07	302.87	297.84	227.29
32	Newspapers, Publishing (13)	449.67	−0.5	22.44	6.68	6.08	452.15	444.28	442.82	435.78	376.61
33	Packaging and Paper (15)	133.44	+1.1	22.32	8.51	5.77	132.04	130.23	131.75	130.57	131.40
34	Stores (43)	219.97	+0.2	13.99	5.18	9.24	219.61	217.97	220.24	218.45	190.35
35	Textiles (23)	132.97	−0.7	27.69	12.21	4.57	133.91	131.76	132.41	130.75	169.84
36	Tobaccos (3)	208.80	−1.2	27.30	10.98	4.14	211.29	215.75	215.85	214.59	238.35
37	Toys and Games (6)	42.83	+2.4	38.21	16.72	3.38	41.84	40.85	41.42	42.06	90.06
41	OTHER GROUPS (97)	211.73	—	15.07	6.41	8.04	211.76	207.60	207.77	204.51	191.61
42	Chemicals (17)	313.29	+0.2	15.69	6.43	7.36	312.81	303.52	304.89	300.41	274.48
43	Pharmaceutical Products (7)	215.25	−0.2	11.83	5.94	10.31	215.62	213.23	212.50	209.69	237.36
44	Office Equipment (6)	120.55	−0.8	18.18	6.78	6.48	121.57	120.24	121.04	119.04	123.37
45	Shipping (10)	463.96	+0.4	11.41	6.96	11.19	462.21	455.56	457.50	451.73	408.77
46	Miscellaneous (57)	250.69	—	16.10	6.45	7.87	250.75	246.58	246.02	241.55	206.60
49	INDUSTRIAL GROUP (492)	232.70	+0.1	17.19	6.53	7.19	232.51	229.17	229.70	226.78	213.01
51	Oils (8)	810.57	−2.5	13.86	5.89	7.80	830.98	793.69	783.94	740.91	554.11
59	500 SHARE INDEX	278.24	−0.5	16.46	6.39	7.31	279.60	273.67	273.44	267.48	240.81
61	FINANCIAL GROUP (117)	200.14	−0.1	—	5.53	—	200.44	196.72	197.54	193.94	167.51
62	Banks (6)	232.16	—	35.82	5.60	3.56	232.05	225.11	226.09	224.12	202.40
63	Discount Houses (10)	233.99	−0.8	—	8.71	—	235.87	236.08	236.08	235.90	206.38
64	Hire Purchase (5)	177.02	−0.7	18.78	5.37	6.93	178.24	178.57	181.81	178.57	155.84
65	Insurance (Life) (10)	172.90	−0.3	—	6.08	—	173.39	169.67	170.32	164.93	127.24
66	Insurance (Composite) (9)	132.41	−0.5	—	7.34	—	133.07	130.30	132.16	128.98	116.18
67	Insurance Brokers (10)	288.36	+0.4	17.12	6.88	8.39	287.08	283.98	287.08	286.08	296.53
68	Merchant Banks (14)	106.13	+2.3	—	5.61	—	103.79	102.85	100.98	99.66	75.65
69	Property (44)	362.49	−0.5	3.64	2.99	39.40	364.31	360.84	360.75	353.45	282.15
70	Miscellaneous (9)	135.61	−0.1	15.32	6.70	8.57	135.78	133.45	132.18	127.92	109.86
71	Investment Trusts (109)	232.98	+1.2	—	5.34	—	230.19	222.32	218.48	214.99	206.07
81	Mining Finance (4)	220.35	+1.1	10.46	4.01	11.61	217.92	206.87	205.89	205.14	119.99
91	Overseas Traders (20)	427.82	+1.1	11.60	6.29	10.61	423.22	405.17	399.28	392.52	318.03
99	ALL-SHARE INDEX (750)	261.45	−0.2	—	6.10	—	262.09	256.09	255.74	250.57	221.91

FIXED INTEREST PRICE INDICES

	British Government	Tues., Feb. 12	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	99.75	−0.13	—	1.38
2	5-15 years	103.46	−0.47	—	2.00
3	Over 15 years	108.84	−0.54	—	0.95
4	Irredeemables	129.81	−0.45	—	0.00
5	All stocks	103.39	−0.38	—	1.34

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Tues., Feb. 12	Mon., Feb. 11	Year ago (approx.)
1	Low Coupons	5 years	12.59	12.44	10.69
2		15 years	12.49	12.44	12.25
3		25 years	12.49	12.44	13.07
4	Medium Coupons	5 years	14.98	14.80	13.77
5		15 years	14.16	14.08	13.80
6		25 years	14.06	13.98	13.80
7	High Coupons	5 years	15.30	15.20	14.21
8		15 years	14.69	14.59	14.38
9		25 years	14.41	14.31	14.34
10	Irredeemables		11.48	11.37	12.30

		Tues., Feb. 12 Index No.	Tues., Feb. 12 Yield %	Mon. Feb. 11	Fri. Feb. 8	Thurs. Feb. 7	Wed. Feb. 6	Tues. Feb. 5	Mon. Feb. 4	Fri. Feb. 1	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.18	†14.43	51.28	51.79	51.62	51.33	51.67	51.70	51.81	52.34
16	Investment Trust Prefs. (15)	47.77	14.11	47.82	47.66	47.82	47.82	48.15	48.09	48.09	47.88
17	Coml. and Indl. Prefs. (20)	61.80	14.50	61.86	61.70	61.63	61.72	61.85	61.87	62.10	67.41

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Cons. Gold Fields	25p	26	510	−15	617	178
RTZ	25p	18	455	+11	462	226
Charter Cons.	2p	14	185	+15	193	69
Premier Cons.	5p	14	82	−5	87	5
CompAir	25p	13	95½	+1½	99½	52
Charterhall	5p	11	83½	−2½	86	22½
ICI	£1	11	398	—	415	314
BP	25p	10	400	−10	410	220½
LASMO	25p	9	494	−6	506	124
Ultramar	25p	9	478	−8	486	197
Bowring (C. T.)	25p	7	143	+7	149	98
GEC	25p	7	377	+2	456	311
GUS A	25p	7	398	−2	448	288
Imp. Cont. Gas	£1	7	764	−9	773	358
Imperial Group	25p	7	81	—	108	71½

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 8	Mar. 14	Jun. 12	Jun. 23

For rate indications see end of Share Information Service

Call options were dealt in Vickers, William Press, Selincourt, British Benzol, Cons. Gold Fields, Poseidon, Reed International, RHM, Anderson Strathclyde, CompAir, Bambers, Tricentrol, Imperial Group, Berec, Smith Bros., Charterhall, Premier Oil, KCA, Western Mining, Pacific Copper, RTZ, Howard Machinery, Arthur Lee, Carpets International and Hartwells. Puts were transacted in Premier Oil, Status Discount, Charterhall, Nurdin and Peacock and Tesco, while double options to be completed included Premier Oil and Cons. Gold Fields.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
363	F.P.	20/2	406	341	B.P. New	400	−5	[illegible]			
£1	F.P.	[illegible]	101	100	Child Health Res'ch	101	[illegible]				
380	F.P.	[illegible]	155	118	Haynes P'blish'g 5p	155	+1	[illegible]			
10	F.P.	[illegible]	11	10	Keep Inv. Trust 5p	[illegible]					
[illegible]	F.P.	[illegible]	80	80	Lon. Merc't Secs. Deld	80	[illegible]				
¶	F.P.	[illegible]	[illegible]	[illegible]	Spring Grove 10p	[illegible]					
‖	F.P.	[illegible]	[illegible]	£25	Wereldhave NV DFL20	£25	[illegible]				

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Aurora 3.88% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	B'rm'n'm & District W'ter Red. Prf. 1985	[illegible]	
‖ 120p	Nil	[illegible]	[illegible]	[illegible]	Clifford (Chas.) 11½% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Felixstowe Dock 9¾% Cum Red Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible] W'r. 7¾% Red. Prf. 1985	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Thorn Elec. 7% Cn. Red. 2nd Cum Prf. 82-85	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
13½	F.P.	[illegible]	[illegible]	[illegible]	Associated British Engineering	21	[illegible]
33½	Nil	[illegible]	[illegible]	[illegible]	Edwards (Louis C.)	[illegible]	
40	Nil	[illegible]	[illegible]	[illegible]	Elson & Robbins	[illegible]	
60	F.P.	[illegible]	[illegible]	[illegible]	Hammerson Prop. A	[illegible]	
A$1	Nil	[illegible]	[illegible]	[illegible]	Hanimex Corp.	[illegible]	
60cts	Nil	[illegible]	[illegible]	[illegible]	Pancontinental	[illegible]	
20	Nil	[illegible]	[illegible]	[illegible]	Paringa	[illegible]	
3p	[illegible]	[illegible]	[illegible]	[illegible]	Premier Cons. Oilfields	[illegible]	
R3.50	[illegible]	[illegible]	[illegible]	[illegible]	Rand London Coal Units	[illegible]	
54	F.P.	[illegible]	[illegible]	[illegible]	Wearwell	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. †† Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs. [illegible]

Lloyds Bank International, Geneva [illegible]

M & G Group [illegible]

Midland Bank Trst. Corp. (Jersey) Ltd. [illegible]

Samuel Montagu Ldn. Agents [illegible]

Murray, Johnstone (Inv. Adviser) [illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd. [illegible]

Negit S.A. [illegible]

Negit Ltd. [illegible]

Pacific Basin Fund [illegible]

Phoenix International [illegible]

Providence Capitol Life Ass. (C.I.) [illegible]

Quest Fund Managmt. (Jersey) Ltd. [illegible]

Richmond Life Ass. Ltd. [illegible]

Rothschild Asset Management (C.I.) [illegible]

Rothschild Asset Mgt. (Bermuda) [illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd. [illegible]

Save & Prosper International [illegible]

Schlesinger International Mngt. Ltd. [illegible]

Schroder Life Group [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander Ldn. Agents [illegible]

Standard Chartered Intl. Bd. Fd. [illegible]

Stronghold Management Limited [illegible]

Surinvest (Jersey) Ltd. (x) [illegible]

Surinvest Trust Managers Ltd. [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. [illegible]

Tokyo Pacific Holdings N.V. [illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]

Tyndall Group [illegible]

Unilife Assurance (Overseas) Ltd. [illegible]

Union-Investment-Gesellschaft mbH [illegible]

Utd. Intnl. Mngmt. (C.I.) Ltd. [illegible]

United States Tst. Intl. Adv. Co. [illegible]

S. G. Warburg & Co. Ltd. [illegible]

Warburg Invest. Mngt. Jrsy. Ltd. [illegible]

Wardley Investment Services Ltd. [illegible]

World Wide Growth Management [illegible]

Wren Commodity Trust [illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	49.T	52.6	-0.4	1.90
Abbey Capital	36.9	39.8	+0.1	5.51
Abbey General	48.1	51.4	+0.1	5.72
Abbey Gilt & F.I. Tst.	99.1	105.4	-0.6	4.74
Abbey Income	42.2	45.6	+0.2	8.36
Abbey Intl. Bd. Tst.	92.7	97.1	-0.3	5.66
Abbey Inv. Tst. Fnd.	38.2	41.2	+0.4	5.67
Equitas Prog. Trust	71.6	77.4	+0.3	5.58

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.4	94.1xd	----	12.67

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	79.1	84.6	----	5.67
Brit. Inds. Fund	70.6	75.5	-0.1	5.96
Growth & Income	42.2	45.2	+0.2	5.58
Elect. & Ind. Dev.	38.7	41.4	+0.2	5.07
Allied Capital	79.0	84.5	+0.3	5.21
Hambro Fund	120.5	128.9	+0.5	5.70
Hambro Acc. Fund	147.6	157.9	----	5.32

Income Funds

High Yield Fd.	69.5	74.4xd	+0.3	9.95
High Income	72.7	77.8	+0.3	7.58
A. H. Eq. Inc.	41.6	44.5xd	+0.1	7.84

International Funds

International	29.8	31.9xd	----	3.72
Pacific Fund	47.1	50.4xd	+1.3	2.45
Secs. Of America	61.7	66.0	-0.2	2.12

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Feb. 8	210.2	224.2	----	5.31

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.7	19.6xd	+1.0	5.92
Gt. Winchester O'seas	20.8	23.1xd	+1.3	2.38

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	76.4	82.2	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	77.9	81.9	+0.1	4.81

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.8	28.3	-0.3	1.00
Fixed Interest	25.4	26.8	----	12.2
Growth + Income	29.1	30.7	+0.1	7.80
Special Sits.	29.3	30.9	-0.1	1.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.2	30.3	----	2.36
Accum. Units	34.2	36.8	----	2.36
J. Finlay High Income	33.3	35.8	----	9.53
J. Finlay Euro.Fin.	23.3	25.0	----	3.40
Accum. Units	28.8	30.9	----	3.40
J. Finlay Fd.In.Tst.	31.5	33.9	----	6.31
Accum. Units	38.0	40.9	----	6.31

Prices on February 6. Next dealing February 13.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	54.4	57.8	----	1.26
American Turnaround	53.4	56.8	----	2.00
Capital Tst.	53.8	57.2	+0.4	4.73
(Accum. Units)	53.8	57.2	+0.4	4.73
Extra Income Trust	48.0	51.0	+0.2	10.30
Income Tst.	38.0	40.3	+0.2	8.24
Int. Growth Fd.	44.4	47.2	-0.6	2.13
(Accum. Units)	47.0	49.8	-0.6	2.13

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	50.4	53.8	+0.1	3.73

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

1979-80 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
30½	24½	Met. Wtr. 3pc 'B'	25½	......	11.70	13.65
129	97	U.S.M.C. 9pc 1982	99	......	9.28	—
95	81	Do. without Warrants	86½	–½	10.65	16.80

Financial

1979-80 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103¾	96	FFI 13pc 1981	97	......	13.40	16.43
108¾	93½	Do. 14pc '83	94	–½	14.89	16.10
86½	77½	ICFC 5½pc Deb. '80-82	82	–½	6.90	15.33
85	69	Do. 6¼pcDb. '81-84	73	......	8.76	14.90
99	79½	Do. 10¼pc Uns.Ln. '86	85	–½	12.52	14.70
99	77	Do. 11pc Uns.Ln. '88	84½	–½	13.21	14.20
101½	80	Do. 11¼pc Uns.Ln. '90	85½	......	13.96	14.85
72½	54½	Do. 7¼pcADeb. '89-92	58½	–½	12.79	14.90
69	51½	Do 7¼pcA Db. '91-94	58	......	13.23	15.00
72	64	Do.9pc'A' '91-94	70	+½	13.61	14.70
78½	61	Do.8¾pcLn. '92-97	62xd	–½	14.31	15.00
102	85	Do. 12½pc. Uns. Ln. 1992	86½xd	–1	14.45	14.90

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1979-80 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
£25⅝	£17⅝	Bankers N.Y.$10	£18⅞	–⅛	Q$3.30	—	7.9	—
514	360	Barclays £1	442	......	†16.5	6.2	5.3	3.7
286	230	Brown Shipley £1	278	......	‡13.0	—	6.7	—
375	250	Cater Ryder £1	308	–2	18.88	—	8.8	—
110	59	Clive Dis'nt 20p	70	–2	5.33	—	10.9	—
224	121	Com'l Aus. ($A1)	154	+3	†Q18c	3.0	6.1	5.4
*£17	862	Com'zbk DM 10	900	–10	Q26.69%	—	7.7	—
£18½	900	C'hgn.Hbk.Kr100	975	......	Q12%	—	10.5	—
41	20	Corinthian 10p	35	......	†1.05	5.9	4.3	4.0
£24¾	£15	Cred. France F75	£17⅞	+⅛	Q9.87%	—	3.7	—
13	5	Dawes (G. R.)	13	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£65½	–1	Q28.12%	—	5.6	—
90	55	F. C. Finance	63	......	2.2	4.9	5.0	5.0
17	5¼	First Nat. 10p	14	–¼	—	—	—	0.8
4	1½	Do. Wrts. 75-83	2	......	—	—	—	—
266	178	Gerrard Natnl.	225	......	†9.12	—	5.8	—
82	38	Gibbs (A.)	80	–2	2.2	—	3.9	—

BANKS & HP—Continued

Hire Purchase, etc.

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Sri Lanka

Africa

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CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
430	97	Coronation	400	−10	Q54c	2.2	7.7
630	132	Falcon Rh.50c	640	—	Q100c	1.7	10.8
48	11	Rhod'n Corp. 16²⁄₃p.	41	—	0.56	6.5	2.0
267	70	Roan Cons. K4	260	+5	Q0.125	ϕ	2.9
67	26	Wankie Col. Rh.1	56	—	Q9c	1.5	11.1
57	9	Zam.Cpr.SBD0.24	52	−1	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
28	18	Acmex 50c	23	—	—	—	—
23	4	ACM 20c	22	−1	—	—	—
115	50	Bond Corp.	112	+4	Q3.75	2.2	1.7
232	100	Bougainville 50 Toea	226	−6	sQ39½c	ϕ	9.1
265	84	BH South 50c	235	+9	←	—	—
12	12	Canada Northwest	12	—	—	—	—
35	5	Carr Boyd 20c	34	−1	—	—	—

TINS

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
217	56	Messina R0.50	217	+2	Q10c	ϕ	2.6

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
81	54	Barymin	80	+3	—	—	—
14½	10	Burma Mines 17½p	15½	......	—	—	—
470	170	Cons. Murch. 10c	470	+28	Q100c	ϕ	12.2
585	280	Northgate C$1	540	−15	—	—	—
462	226	R.T.Z.	455	+11	†11.5	3.4	3.6
31	12	Robert Mines	23	−1	—	—	—
65	26	Sabina Inds. C$1	56	−2	—	—	—
880	470	Tara Expln. $1	565	+15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♠ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 30

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27	......
Bertam	18	......
Bdg'wtr. Est. 50p	353	......
Clover Croft	58	......
Craig & Rose £1	£11¼	......
Dyson (R. A.) A	25	−1
Fife Forge	38	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£13	+1½
Higsons Brew	80	+2
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	150xd	......
Pearce (C. H.)	385	......
Peel Mills	37	......
Sheff. Refrshmt	98	......
Sindall (Wm.)	165	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£86⅛	......
Nat. 9¾% 84/89	£71⅝	−⅛
Fin. 13% 97/02	£85⅝	......
Alliance Gas	56	......
Arnott	380	......
Carroll (P.J.)	56	+2
Clondalkin	105	+2
Concrete Prods.	90	+7
Heiton (Hldgs.)	40	......
Ins. Corp.	200	......
Irish Ropes	55	......
Jacob	35	......
T.M.G.	150	......
Unidare	82	......

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	2½
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	12
I.C.I.	22
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	14
Lex Service	10
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	20
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd	9
Plessey	10
Racal Elect.	20
R H M	4½
Rank Org.	18
Reed Intnl	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½

Property

Stock	Rate
Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Stock	Rate
Brit. Petroleum	35
Burmah Oil	15
Charterhall	5½
KCA	6½
Premier	9
Shell	28
Tricentrol	27
Ultramar	45

Mines

Stock	Rate
Charter Cons.	18
Cons. Gold	52
Lonrho	12
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday February 13 1980

SOAMES TAKES POWERS TO DISENFRANCHISE

Violence could cost Africans vote

BY BRIDGET BLOOM AND TONY HAWKINS IN SALISBURY

SEVERAL hundred thousand African voters in Rhodesia could be disenfranchised in ereas where intimidatim is beld to be rife under powers being taken by Lord Soames, the Goveroor, in an ordinance to be published today.

The parties contesting the poll were told yesterday that if there is no marked reduction in violence and intimidation over the next 10 days, the Goveroor conld use his "abrogation of the election" powers in at least 22 named rural areas.

The ordinance means there would be no public meetinga and no polling booths in the designated areas. The parties would be prohibited from busing voters to polling stations in other districts.

However, a Britiab official admitted voters would not be stopped from walking from one electoral district to another to cast their ballots.

The ordinance is an extension of the powers the Governor took under a separate ordinance last week. Those enabled him to ban parties or candidatea from contesting the poll io named districts.

But on Monday Mr. Robert Mugabe, leader of ZANU-PF, said if his party was banned in any district it would withdraw from the election. So far, Lord Soames has used last week's ordinance on only one occasion—to ban a senior Mugabe party official from actively campaigning for votes.

Last night, the Governor was discussing the ordinance with Mr. Mugabe, whose party bas consistently been blamed by the Britiab for cease-fire violations and whicb is the prime target for this latest legislation.

The British official said the Covernor wonld be looking "very carefully" at what bappens over tha next 10 to 14 days to see if intimidation bad been curbed.

The object of these latest powers was to "roll back the frontiers of intimidation," the official said. However, despite the Britisb assertion that the Governor is "quite determined" to use his new powers if necessary, observers bere see the ordinance as yet another warning to Mr. Mngabe to pull his followers into line.

The Governor clearly faces an acute dilemma. If be were either to impose a partial electoral ban on Zann-PF or to disenfranchise significant numbers of voters, be would almost certainly provoke an outburst of strong international criticism.

On the other hand Lord Soames is under severe pressure from the Rhodesians and from the other Black parties to take effective steps to curb intimidation. Accordingly, be is not ruling out the possible use of existing powers within the coming week, the British official said.

The British said that at last nighl's meeting the Governor would remiod Mr. Mugabe of the undertakings be signed at Lancaster House to accept his authority, to campaign peacefully, and to accept the outcome of the elections.

Lord Soames was elso expected to explain the latest ordinance to the Zanu-PF leader and to take up with Mr. Mugabe his weekend speecb and subsequent news conference in wbich be appeared to threaten a resumption of the guerrilla war if Zanu-PF was banned from contesting the election in any administrative districts.

Editorial Comment, Page 20

Row over EEC block on state aid

BY GILES MERRITT IN BRUSSELS

FOURTEEN multinational companies including ICI, Philips, Polaroid, Shell, Rockwell, DSM and Tetrapak of Sweden are at the centre of a politically-charged row between the European Commission and EEC member governments over investment grants.

As part of a clampdown oo investment grants to industry, the commission has indicated that it will no longer waive the Treaty of Rome conditioos governing such aid. It aims to prevent member states bidding against one another for foreign investment.

Io all, 14 major U.S. and European companies are waiting to be told that the commission is blocking state aid to them for projects in Belgium or the Netherlands.

The Brussels authorities have in recent months vetted 50 cases. Of those 29 bave beeo granted permission to receive oational aid because the projects cootributed to employment and industrial development io the EEC.

A further 20 have been the subject of closer scrutiny, of which 14 are to be rejected formally io April.

The remainiog single case is that of Phllip Morris, which is contesting the commission's refusal to permit Dntch government aid for its oew plant in the Netherlands.

The Philip Morris appeal to the European Court of Justice in Luxembourg was due to bave been ruled on by June, but judgmeot ls now likely to be delayed until September.

The action ia a test case for the 14 other companies hit by the stricter policy. All are expected to lodge similar appeals with the court, pending the outcome of the Philip Morris case.

The eize of the 14 projects varies. A cracking complex built in Antwerp by Exxon was a BFr 1bn investment due to receive BFr 150m (£2.5m) in Belgian grants, while a Shell Laboratories project at Rotterdam expected only Fl 1.4m (£300,000).

Other projects inclode administration buildings at Eindhoven for Philips, an extension to Polaroid's SX70 film plant at Enschede in the eastero Netherlaods, an ICI polypropylene unit at Rotterdam, and a polyethylene plant for DSM.

Belgium and the Netherlands bave been singled ont by the commission because of the general aids offered to new investment there.

Court move to lift lamb ban planned

BY MARGARET VAN HATTEM IN STRASBOURG

THE EEC Commission intends to seek a Eoropean Court of Justice interim injunction lifting the French ban on imports of British lamb within the next few days.

This follows failure of Chancellor Helmut Scbmidt of West Cermany to persuade President Giscard d'Estaing at the Franco-Cerman summit in Paris last week to comply with the court'a ruling last September that the curbs violate EEC rules oo free trade.

Herr Schmidt, stressed to the French President at the Commission's request, the constitutional dangers of France's continued defiance of the court, apparently to no avail.

His attempt, like the decision to postpone further action on the European Monetary System, was kept secret at the time of the meeting.

Mr. Finn Olav Cundelach, the EEC Farm Commissioner, said yesterday that the Commission would seek an interim injunction "within a few days."

He said he was under conataot pressure from the British Government to seek an injunction. If the French Covernment did not give way before or during next week's meeting of EEC Farm Ministers in Brussels he would have no option.

He may come under pressure to delay this action from the Commission's legal service, which is suggesting that the damage to British producers resulting from Freocb curbs may not be sufficient to uphold the case for interim measures.

But Mr. Gundelach is in en increasingly difficult position aod it is hard to see how be can avoid taking action He bas come under severe criticism for his apparent reluctance in the past six months to get tough with the French, emid mounting accusations that his wisb to avoid a confrontation with Paris stems from his political ambitions.

He has expressed sympathy for the French case, recognising that in the absence of a Common Market organisetion for lamb Freoch producers will suffer when the cheaper British product has free access to their domestic markets.

Throughout the Farm Council's negotiations io the past few months to include lamb in the Common Agricultural Policy Britain has led opposition to French demands for a high level of EEC-financed protection for French sheep farmers.

Although the Commission has formally maintained that there can be no trade-off between the lifting of the corbs and the council negotiatioos, it has been deliberately slow in taking the French back to court, in the apparent bope that a deal could be done informally. It no longer appears to entertain such hopes.

President Ciscard's refusal to bend to Herr Schmidt's arguments has reinforced the view here that the French still hope to win coocessions from the British on the lamb issue in the next round of negotiations on Britain's contributions to the EEC Budget.

BP fixes Forties oil price at $33.75

By Ray Dafter, Energy Editor

BRITISH PETROLEUM has set the pattern of North Sea oil prices by fixing a rate of $33.75 for its Forties Field reference crude. This price, a $4 a barrel increase, is backdated to last Friday.

At preseot the higher price relates ooly to the oil traded in BP, among the organisation's affiliated companies. But the new reference level is expected to be adopted by the industry as a whole — putting North Sea crude oil on a par with the value of competitive oil exported from Nigeria.

BP said las night it regarded the latest price rise as "a moderate increase." The State-owned British National Oil Corporation, which is under Government pressure to maintain moderate prices, has been told of the BP decision.

BNOC handles most of the oil produced from the UK sector of the North Sea—about 1.6m barrels a day. The corporation has still to decide on new pricing levels.

Corporation officials have taken the unusual step of asking other North Sea companies to specify the rates they feel should be charged from the beginning of the month.

In the past the corporation suggested a reference price and then entered into detailed negotiations with other North Sea producers. The change in tactics this month arose because the Government wanted it to be seen — particularly by Common Market partners — that it was not contributing through BNOC to the world-wide oil price spiral.

The reference price of $33.75, which is expected to be confirmed by BNOC and other operators in the next few days, would leave Forties-type crude slightly cheaper than Nigerian oil—the position held in January.

Like other African producers Nigeria has recently raised its prices. Nigeria's Bonny Light crude costs $34.20—an increase of $4.21 over January's level.

Angola, ooe of the smaller African producers and not a member of the Organisation of Petroleum Exporting Countries, yesterday raised its price by about $2 a barrel to $32.80, backdated to Februray 1.

BNOC appointments, Page 7
Editorial Comment, Page 20

THE LEX COLUMN

No bouquets for De Beers

The first unsatisfactory feature of the Consolidated Gold Fields affair is the furtive way in which De Beers built up its initial shareholding. De Beers emphasises that it took great pains to behave in accordance with UK company law, and notil yesterday morning its own shareholding and those of the unnamed parties from which it bad options to buy shares were all just below the 5 per cent mark at which disclosure would have been mandatory.

But to quote Mr. Nicholas Goodison, chairman of the Stock Exchange: "It looks as if the intention of company law, which is that a company should be able to discover the beneficial owners of its capital, was being at least temporarily frustrated." It seems extraordinary that a company of De Beers' stature should wait until Gold Fields had gone to the lengths of asking the Department of Trade to conduct an inquiry before it showed its hand.

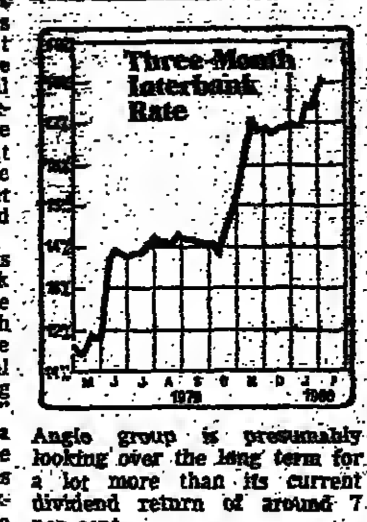
There is a case for considering a change in the law along U.S. lines, making it obligatory to disclose a purchase of more than 5 per cent of a company by an individual or a group of individuals acting together. This is the regulation that has giveo former Budget Director Bert Lance and his friends the occasional awkward moment in the last year or so.

The second cause for concern is the way in which De Beers mounted its share raid yesterday morning. The jobbers were given full details of the buying plan by brokers Rowe and Pitman at 8.30 am, and by 10 am it was all over. Between them, they had bought 16.5m shares at 616p compared with a closing price of 525p on Monday—and 510p last night. Clients were scaled down to around 75 per cent, but could still feel very pleased with the outcome.

De Beers was under no obligation to make a partial offer open to all shareholders, and a big buyer or seller can by the very nature of things often get a better price than that which will be available to the general public.

What happens now to the Gold Fields share price? The immediate picture is uncertain, but there is a lot of cash io the market looking for a new home and a prospective yield of perhaps 5½ per cent is topped only by Charter among the UK finance houses. The shares sell at a discount of roughly 20 per cent to net worth, and the Anglo group is presumably looking over the long term for a lot more than its current dividend return of around 7 per cent.

Index fell 0.6 to 469.3



Guinness Peat

In marked contrast to S. and W. Berisford's disappointing commodity trading results in March-September, the Guinness Peat Group has turned in a sharp improvement with non-banking pre-tax profits up from £1.9m to £6.2m in the six months October. The bulk of the improvement comes from commodity broking, driving home the benefit over the period from the group's heavy involvement in rubber, against Berisford's cocoa.

About £1m of the profits can be attributed to North American Glass and the expansion in New York money broking, made after the comparable period in 1978, but the comparison is unaffected by the hauliers strike which hit second half profits last time. The contribution from associates is well up, while the Gracechurch Street property disposal has kept the rise in interest charges within limits. Full-year non-banking profits should amount to £12.5m, which, after yesterday's 15p rise in the share price to 127p, produces a prospective fully-taxed p/e of about 12, including the bank contribution. Assuming a final dividend raised in line with the interim, the prospective yield is about 8.5 per cent.

Rights issues

Over the past week there haa been a stirring of interest among companies in raising finance through rights issues. It is probable that the spring reporting period for groups with calendar year-ends will see a fair sprinkling of calls on the market.

Last year the value of rights issues—excluding BL—totalled about £900m, well below initial expectations. There was a spate of issues after the election, when Standard Chartered, UDS, Thomas Tilling, MEPC and Grand Metropolitan collected £287m in a month. But activity fell away in June as the market lost ground and the BP share sale drew nearer.

With the market now on firmer ground that at any time since October, it should be quite easy to under-write new issues. Compared with 1974, the average net gearing of UK companies still looks extremely comfortable, but there could be a rise of about a fifth over the two years to the end of 1980 as the profits squeeze tightens and inflation pushes up the cost of working capital. Moreover, the average gearing figure disguises the fact that the corporate sector has become a very patchy animal. While some companies are financially very strong indeed, others are acutely short of funds.

Base rates

Yet another round of bill repurchases from the Bank of England left the Money markets short of funds again yesterday, and the authorities were required to give about £½bn of assistance. Large official loans to the market mature on Thursday, and Friday's £450m call on Treasury 12¾ per cent 2003-05 "A" virtually guarantees that the tightness will continue through the February 20 make-up day.

This prospect must leave the clearing banks thinking very seriously about raising their base rates, for all the embarrassment that higher rates coinciding with the publication of very large profits would bring. The alternative is to persuade the authorities that the clearers are not in trouble with the corset entirely as a result of cavalier lending policies, and that they deserve a little help. The Bank of England might then be induced to flood the market with liquidity on make-up day and discourage borrowers from switching into overdraft lending.

For this to happen—as it probably will—the banks must be convinced that the authorities are right to view the present shortages as temporary. If they did not believe that they would put up base rates tomorrow.

Call for freer trade access

AUSTRALIA'S Queensland State Premier, Mr. Joh Bjelke-Petersen, who arrived in the UK yesterday for a foor-day visit, said he would like to see freer trade access to Britain.

Survival plan for third world

FINANCIAL TIMES REPORTER

DEVELOPING NATIONS, faced with the prospect of sliding ever deeper into debt, could benefit from special levies on interoational trade, military spending and sea-bed mineral mining.

Such levies, as part of a doubling of official development aid now ruoning at $20bn a year, could help avoid a serious political and economic breakdown in the world, according to a report published yesterday hy the Brandt Commasioo, an independent group of politicians and experts from the industrialised northern and developing southern couotries.

Work started on the report, entitled "North-South: A programme for Survival" two years ago. It was handed to Dr. Kurt Waldheim, the UN secretary-geoeral, on Monday.

The commission aoalysed the world's economic and social problems as they affect the Third World. The report concludes with a set of proposals for the reform and re-structuring of the world ecooomic system. The commissioo believes the proposals are in the mutual interest of the North and the South.

Mr. Edward Heath, former British Prime Minister, launched the report io London yesterday. A member of the commission, be said that neither the North nor the South could survive even at their present levels "unless we carry through this programme."

The report calls for a concordat between the oil-exporting countries and the Western world to use resources to help the developing world.

The report proposes that one element in a system of "international taxatioo" could be official aid contributions calculated on a sliding scale and related to national income.

It also proposes institutional reform such as greater regionalisatioo of assistance, through de-centralisation of the World Bank's operations.

"North-South: A Programme for Survival." Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt. Pan. £1.95.

Feature, Page 20

Weather

UK TODAY

Mostly dry. Some sun. Raio later.

S.E., rest of England, Channel Is.
Moatly dry. Bright periods. Mild. Max. 11C (52F).

N.E. England. Borders. E. Scotland
Sunny periods. Mostly dry. Max. 10C (50F).

W. Scotland. N. Ireland
Dry at first. Rain from W. later. Max. 10C (50F).

OUTLOOK: Some rain. Dry spells. Mild.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Locarno	S	10	50
Algiers	F	15	59	London	C	10	50
Amsdm.	Fg	7	45	Luxmbg.	C	5	41
Athens	F	15	59	Madrid	F	11	52
Bahrain	S	17	63	Majorca	S	15	59
Barclna.	S	12	54	Malaga	F	14	57
Beirut	F	17	63	Malta	F	15	59
Belfast	R	9	48	Mchstr.	C	8	46
Belgrd.	C	6	43	Melbne.	C	34	95
Berlin	C	5	41	Mex. C.	S	22	71
Biarritz	S	11	52	Milan	C	3	37
Bmghm.	F	8	46	M'ntreal	C	−4	25
Blackp'l	F	8	46	Moscow	F	−13	9
Bordx.	F	9	48	Munich	C	3	37
Boulgn.	C	8	46	Nairobi	C	21	70
Brussels	C	6	43	Naples	F	12	54
Budpst.	F	8	46	Newcstl.	R	7	45
B. Aires	S	30	85	N. York	S	1	34
Cairo	S	18	64	Nice	S	15	59
Cardiff	C	8	46	Nicosia	C	17	63
Cape T.	S	20	68	Oporto	C	13	55
Chicago	S	−6	21	Oslo	C	−5	23
Cologne	C	7	45	Paris	C	7	45
Cpnhgn.	C	0	32	Perth	S	23	73
Corfu	R	12	54	Prague	C	4	39
Dublin	C	10	50	Reykjvk.	F	6	43
Dbrvnk.	C	11	52	Rhodes	C	15	59
Ednbgh.	R	9	48	Rio J'o	S	33	93
Faro	C	14	57	Rome	S	16	61
Florence	F	14	57	Salzbrg	R	3	37
Frankf't	C	6	43	Singapr.	S	31	88
Funchal	S	20	68	Stckhm.	C	−5	23
Geneva	S	7	45	Strasb'g	F	7	45
Gibrltr.	F	16	61	Sydney	S	26	79
Glasgow	R	9	48	Tangier	S	18	64
G'rnsey	C	7	45	Tehran	R	0	32
Helsinki	S	−14	7	Tenerife	S	20	68
H. Kong	C	16	61	Tokyo	C	8	46
Innsbrk.	F	6	43	Toronto	C	−6	21
Invrnss.	C	8	46	Tunis	C	15	59
I.o.Man	R	8	46	Valencia	S	17	63
Istanbul	C	6	43	Venice	F	12	54
Jersey	Fg	5	41	Vienna	R	6	43
Jo'burg	C	24	75	Warsaw	C	1	34
L. Pims.	S	10	50	Zurich	S	7	45
Lisbon	F	10	50				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

BSC

strike committee, possibly this week.

An important test of the strikers' intentions will come tomorrow, when delegates of seven craft and two general unions decide whether to accept the offer recommended by their negotiators.

Transport union delegates at their own meeting have already voted against the offer—10 per cent for ao enabling agreement, and 4 per ceot minimum after local productivity deals are signed.

Some ISTC strikers forecast yesterday tbat if the offer was accepted by the other unions, that would barden BSC'a resolve and the strike could run on into April.

Robin Reeves writes: Mr. Emlyn Williams, South Wales miners' president, said yesterday that the agreement between the National Coal Board and BSC to stem the increase in coking coal imports did not change the situation in his industry.

The miners are leading demands for an all-out strike next month in the coal, steel and related transport industries against threatened closures.

Railways' private capital plans worry Ministers

BY ELINOR GOODMAN, LOBBY STAFF

CLEAR differences of opinion are emergiog between the Government and British Rail over the role for private capital in BR's non-railway activitiea.

The Goverment seems to have been taken aback by British Rail's statement last week that it is looking at the opportunities to involve private capital in its subsidiary businesses "as a way of overcoming the present cash shortage and hetping the businesses to develop and expand."

Ministers appear to bave interpreted this as a sigo that BR wants to use private capital to extend its peripheral activities and increase its powers.

This would be almost the reverse of the Goverment's reasons for wanting to involve private money.

The Covernment's view, though still not fully formed, seems to be that opening BR's peripheral activities to private investment would be a way of reduciog the scope of the public sector.

In the view of some Ministers it would also have the advantage of allowing railway management to get on with its real job of running the railways.

One idea being toyed with is to set up a separate holding to take over all subsidiary operations, such as hotels and ferries. This could be used to attract private investment.

Details of the scheme are vague. It is not clear what shareholding BR would retain in the new company.

What is clear is that Ministers consider a separate holding company a means of redocing BR involvement in fields outside railways.

What BR and the Government seem to agree on is that the subsidiaries should not be sold off in bits. BR "is not in the hiving-off game," it said last week.

Though some divisions, like Sealink, the car-ferry subsidiary, might be tempting to an outside buyer, most other divisioos are attractive only in parts.

A viable hotel chain might, for example, be happy to buy one or two BR hotels, but Ministers believe it would make no sense for the State to be left holding only the unprofitable bits.

Continued from Page 1

Steel

the concept of enterprise zones to be tested io a widely-based experimeot. But they have first to decide whether to go ahead, and then to fix which sites and concessions to include.

Companies would probably be freed for an indefinite period from the need to acquire a Government industrial development certificate, to pay industrial training board levies and to contribute to most Government statistical surveys.

For seven to 10 years, they would also be either partially or wholly freed from payment of local authority rates and exempted from development land tax. They would also receive a capital allowance of at least 75 per cent on industrial and commercial buildings.

Ministers have also considered introducing a lower rate of corporatioo tax but it is understood that this idea has been dropped, as has a proposal that health and safety controls and planning permissioo should be waived. Planning procedures will however be speeded up.

The financial beoefits will be in addition to regional development graots and other conventional sources of Government aid for new industry.

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